FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 27,929 Tuesday July 31 1979 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pts 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Bomb alerts cripple Madrid

A wave of hoax bomb calls brought Madrid's road and rail traffic to a halt as Basque militants warned of a new terrorist campaign against Spanish holiday resorts.

Underground services were closed for nearly two hours after telephoned warnings of bombs in three stations on the city network. Sunday's bomb attacks on the airport and two main railway stations killed five people.

Flights from Madrid were delayed for up to five hours because of strict airport security checks. ETA group's rivalry Page 2

Times offer

Times Newspapers has offered a £500 reinstatement payment to all full-time regular employees as part of its terms for re-publication. Union leaders are satisfied that the new terms, to be considered by their members this week, are a significant improvement on earlier proposals. Page 7

Fulham reprieve

Fulham Football Club, given until yesterday by the High Court to pay £159,774 interest on a construction bill; said it had made arrangements to pay the money. A petition to compulsorily wind up the club had been dismissed, it said.

No prosecutions

West Berlin public prosecutor decided not to take legal action against former members of the people's tribunal, which sentenced to death thousands of Hitler's opponents. A private complaint by a U.S. lawyer had sought the prosecutions.

Smoking plea

The Wills tobacco company in Bristol has been urged by 38 local doctors to end the weekly free issue of 40 cigarettes to employees. By smoking just the free cigarettes, workers could cut five years from their lives, the doctors say. Page 7

Sea crash victim

A 15-year-old boy pulled from the wreckage of a light aircraft 15 minutes after it crashed into 80 ft deep water off the Cornish coast died later in hospital. Peter Crowther, of Long Crendon, Bucks, was pulled clear of the aircraft by naval diver Jimmy Bauld.

Bus competition

Plans to overhaul the system for licensing bus operations are being prepared by the Department of Transport. They include the opening to free competition of all express, long-distance bus services and coach excursions. Page 6

Cleared by RIBA

Architect James Lomas, who designed the Summerland leisure centre in Douglas, Isle of Man, destroyed by fire in 1973 with the loss of 50 lives, has been cleared by the Royal Institute of British Architects of having a casual attitude to building bye-laws during construction. Page 6

Briefly . . .

French police recovered valuables worth over £1m stolen from the Paris residence of the United Arab Emirates Ambassador to the UK.

Government is to make funds available to save Liverpool's Lyceum Club, Britain's first public subscription library. Page 6

Philosopher Herbert Marcuse, regarded as prophet of the New Left during student disturbances of the 1960s, died in Germany, aged 81.

BUSINESS

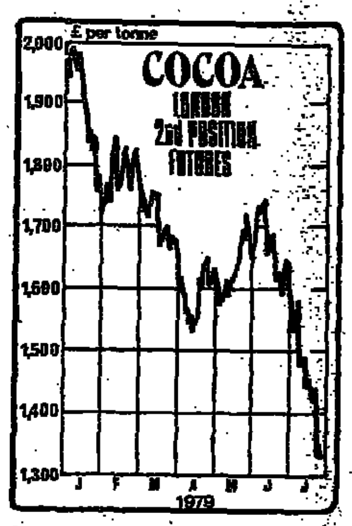
Equities off 7.2; Cocoa at new low

● EQUITIES fell on fears of a further rise in interest rates and the FT 30-share index fell 7.2 to close at 451.0.

● F.T.-ACTUARIES share indices: Owing to technical problems, it was not possible to calculate these.

● GILTS sustained losses of up to ½ in longs and ⅛ in shorts. The Government Securities Index fell 0.45 to 72.48.

● COCOA fell £18 pushing the September price to a new three-year low of £1,329.5 a tonne. Page 23



● STERLING eased 10 points to close at $2.3135. Its trade-weighted index was 73.8 (73.5). DOLLAR'S index was 84.3 (84.0), its best level for two weeks.

● GOLD fell $4½ in London to close at $301¾.

● WALL STREET was 2.64 down at 837.12 before the close.

● RIO TINTO-ZINC is to re-open the Wheal Jane and Mount Wellington tin mines in Cornwall without State aid. The cost is put at £8½m. Back Page

● FOREIGN MANUFACTURING investments in the U.S. continued at a record pace in the second quarter with overseas chemical companies in the vanguard. Back Page

● ITEL CORP., the U.S.-based leasing concern, launched a $26.6m (£11.5m) legal action against Marsh and McLennan and Americas Insurance over a disputed computer leasing insurance claim. Back Page

● FOUR exploration companies are to start a new hunt for oil and gas reserves in the South of England. Back Page

● OFFICIAL RESERVES for July will be boosted by about $300m (£129.6m) as a result of changes in the basis of valuation of some of the gold content. Page 6

● EEC COMMISSION may fund up to half of the cost of the Drax "B" coal-fired power station, which will cost at least £700m. Page 6

● SIR KEITH JOSEPH, Industry Secretary, listed sections of the trade union movement among the "six poisons" that were wrecking the UK's prosperity. Page 6

COMPANIES

● NOTTINGHAM MANUFACTURING reports pre-tax profits up from £4.98m to £6.05m in the first half of 1979, on turnover £9m higher at £71.3m. Page 16 and Lex

● ALFRED PREEDY AND SONS, tobacconist, reports pre-tax profits little changed at £1.17m for the year to March 31 (£1.21m). Page 16

● PETROFINA, the Belgian oil company, reports first-half earnings of BFr3.945m (£58,661) against BFr2.231 previously. Page 19

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:			Imperial Group	89	− 2
Carless Capel	50	+ 3	Land Secs.	278	− 7
Comme	53½	+ 5½	Lloyds Bank	280	− 9
Clipperrods	134	+ 7	MEPC	174	− 5
Hanson Finance	50	+ 6	Marks & Spencer	108	− 3
Smiley (B.)	390	+ 8	NatWest Bank	315	− 8
Waring and Gillow	145	+ 7	News International	137	− 8
Lawrie Plant	420	+ 8	Pilkington	303	− 14
Cons. Gold Fields Ast	210	+ 30	Racal Electronics	415	− 12
MIM	182	+ 6	Simon Engineering	286	− 10
FALLS:			Sunbeam Wolsey	40	− 4
Treasury 11¾pc 03/04	£13¼	− ¾	Tarmac	167	− 5
BTR	304	− 10	Trusthouse Forte	132	− 10
Bank & Commercial	280	− 70*	Tube Invs.	328	− 6
Boots	177	− 4	Wagon Finance	37	− 3
Brown (J.)	415	− 11	Youghal Carpets	20	− 4
Furness Withy	268	− 8	Falcon Mines	290	− 10
Gordon (L.)	42	− 3	Lydenburg Plats.	70	− 6
Hambros	296	− 6	Mangula	73	− 5
Henlys	99	− 4	*Change based on opening price.		

Union bid to stop food supplies for North Sea oil rigs

BY RAY DAFTER & NICK GARNETT

Dockers will be requested by the Transport and General Workers' Union today to block supply of food to North Sea oil rigs and platforms in support of the pay dispute involving offshore catering workers.

The National Union of Seamen, which with the Transport Workers represents most of the 800-1,000 catering workers whose strike began at the weekend, warned companies that it would halt all North Sea supply boats if replacement catering crews were taken offshore.

European seamen's unions are being asked to take similar action if necessary at Dutch and Norwegian ports.

The unions' tactic is to put pressure on the oil companies, which they say are in a dominant position to influence negotiations for the Catering Offshore Trading Association. A settlement for workers at the four main catering companies covered by the association, was due on July 5.

Oil companies reported that they were maintaining production, now about 1.7m barrels a day.

According to the stockbrokers Wood, Mackenzie, production figures to be released later today by the Department of Energy should show that the UK has achieved net oil self-sufficiency, on a monthly basis, for the first time.

The dispute has affected production platforms on some of the biggest oilfields, including Ninian, Brent, Forties, Thistle, Heather, Cormorant, Piper and Claymore, though oil production has been maintained. Three drilling rigs in the UK sector have also been hit.

The unions, which submitted a claim of £600 minimum rate for four weeks—two weeks on and two off—have mounted pickets at a number of UK airports and Scottish railway stations to prevent catering companies organising relief crews.

The catering companies, which have offered £440 for the lowest-grade steward, appear confident that they can maintain a service to offshore installations, which normally have food supplies for at least 30 days.

To minimise disruption to offshore work, companies have flown ashore over 1,500 people not immediately required to maintain production.

Many of these are involved in maintenance work and drilling production wells, so problems would occur if the dispute continues.

Oil companies are said to be working on contingency plans to keep the fields in production. Managerial and other non-catering staff are preparing meals on some platforms.

The action of the catering workers was strongly criticised by British National Oil Corporation as operator of the Thistle Field.

A spokesman said: "We did not like the way the caterers held the meeting and struck without regard to the safety of other personnel on the platform.

"We are referring in particular to divers, who were in a decompression chamber at the time."

These divers could not be flown ashore. They had to be fed while completing their necessary decompression schedule.

BNOC said that it had flown ashore catering staff and a number of non-catering personnel.

Shell, as operator for the Shell-Esso group, said it had reduced its offshore labour force by some 800 workers.

These had been taken from various platforms, including those on Brent and Cormorant.

Some of the men were connecting up new production wells, so the build-up of Shell/Esso's North Sea output — now about 280,000 to 300,000 barrels a day, could be delayed as a result of the dispute.

Onshore oil search resumes, Back Page

Stable dollar essential in inflation battle—Volcker

BY DAVID BUCHAN IN WASHINGTON

A STABLE dollar abroad was an essential pre-condition in the fight against inflation at home, Mr. Paul Volcker, President Carter's nominee for chairman of the U.S. Federal Reserve Board, told Congress yesterday.

Mr. Volcker, the widely respected president of the New York Reserve Bank, stated to the Senate Banking Committee his view that Americans would have to accept unprecedentedly high interest rates if the rate of domestic price increases was to be lowered.

Lower interest rates, he said, were desirable, but "not feasible until we have a more stable economic and financial climate."

Mr. Volcker, whose confirmation by the Senate in his new job may be completed by the end of this week, is expected to push short-term rates higher than they would have gone under the outgoing Fed chairman Mr. G. William Miller, who is to become Treasury Secretary.

Mr. Volcker, regarded as a more conservative monetarist than Mr. Miller has been, said he would want to see more economic data before acknowledging that the U.S. was in a recession. After the news that real output in the U.S. during the second quarter drooped at an annual rate of 3.3 per cent.

Peter Riddell, **Economics Correspondent, writes:** The dollar rose yesterday to its highest level for a fortnight against most other currencies.

Dealers reported that trading was generally quiet and the dollar's recovery was helped not only by the comments of Mr. Volcker but also by better than expected U.S. trade figures on Friday. There may also have been some limited support by the Fed.

The dollar's trade-weighted index, as calculated by the Bank of England, rose by 0.3 points to 84.3, compared with 83.7 a week ago. The U.S. currency closed at near its best for the day of DM 1.8325 against DM 1.8195 before the weekend.

The recovery in the dollar hit sterling in the afternoon and the sterling rate ended 10 points down on the day at $2.3135 after touching $2.3230 earlier.

But sterling was much stronger against the main Continental currencies—rising to DM 4.24¼ against DM 4.21¾ on Friday. It rose against the French franc from FFr 9.80¾ to FFr 9.83¾. The result was that the sterling trade-weighted index rose by 0.3 points to 73.8.

U.S. business productivity falls Page 4

Airlines plan 9-15% fares rise

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FARES ON most air routes will rise by 9 to 15 per cent from September 1, to help offset soaring airline fuel bills. Cargo rates will also go up.

Details of the rises, agreed in principle at a meeting in Geneva of airlines in the International Air Transport Association, are being worked out by each airline, and will be announced later this week.

The signs are that they may be highest on the routes with most traffic—such as the North Atlantic and in Western Europe—and smallest on routes in the Third World where traffic is comparatively thin.

More than 60 scheduled airlines were at the Geneva meeting, but only two attended from the U.S.—National and Flying Tiger. The others, including Pan American, stayed away, because of the U.S. Civil Aeronautics Board's hostility to the IATA and its fares-fixing methods. Pan Am has already asked the Board for fares rises on its international routes.

This is the second major increase in international air fares this year. They rose last April by between 5 and 7 per cent.

Because of successive oil price rises, the airlines' estimated fuel bill for 1979 is now $7.37bn (more than £3bn). This is $3.32bn, or about 80 per cent more, than the original estimated total for the present year of about $4.05bn.

About $1bn of that gap was covered by the April fares increases, leaving about $2.32bn still to be recovered from the present fares rises.

If fuel bills increase further this year, the airlines may have to meet again to seek further fare rises.

They say they have done everything possible to cover increased costs by streamlining operations.

Airline fuel now averages 75 cents a gallon, with rates of more than $1 a gallon common on the spot market. A year ago, the average was 40 to 45 cents.

The planned fare increases will add several hundred million dollars to the airlines' revenues each year. But it will all be wiped out by the fuel price rises.

Some airlines, badly hit by the fuel price rises, argued in Geneva for fares rises of more than 15 per cent. Others, fearing loss of traffic, tried to keep the increases as low as possible.

DanAir gains route, Page 6

Industrial legislation 'could be exploited'

By Alan Pike, Labour Correspondent

THE GOVERNMENT'S proposed changes in employment law could be exploited by "unscrupulous employers and eccentric individuals" to inflame feelings in already-difficult disputes, the TUC warned Mr. James Prior, Employment Secretary, yesterday.

In a formal response to the Government's working papers on intended changes in picketing law, the closed shop and financing of union ballots, Mr. Len Murray, TUC general secretary, told Mr. Prior that the general council rejected the view that the proposals were limited.

They would be a "major incursion into the existing basic rights of workers and their trade unions."

The general council will meet Mr. Prior next month and try to persuade him that "legislative interference" is not the way to improve industrial relations.

Meanwhile, the TUC has sent the Employment Secretary a 10-page document criticising the Government's working papers. Mr. Murray warns that improved industrial relations can best be achieved through action which "has the support of workers, unions and managements."

The TUC document says that the implications for trade unions and industrial relations are immense. The Government's suggestion that the trade union immunity against action for breaches of commercial contract should be reduced was "very dangerous."

"If the Government makes this change in the law, it will have pre-empted its review of trade disputes 'immunities' because there would be little effective protection left for trade unionists."

On the closed shop, the TUC says that if the grounds for refusing to join a union were extended it would disrupt established bargaining arrangements.

There would be occasional well-publicised cases where individual non-unionists insisted on their legal rights and other people refused to work with them.

This like the Conservative 1971 Industrial Relations Act, could make small local issues into "large industrial relations problems with serious and far-reaching consequences."

Kaunda leads attack on Thatcher role

BY MICHAEL HOLMAN IN LUSAKA

A BARRAGE of criticism led by President Kenneth Kaunda of Zambia was directed at the British Government yesterday even before Mrs. Margaret Thatcher and Lord Carrington, Foreign Secretary, arrived in Lusaka for the Commonwealth Conference.

Under the front page headline "KK lashes Thatcher" the Government-owned Times of Zambia yesterday carried a lengthy interview in which the Zambian leader was highly critical of the British Government.

Speaking to newsmen in the morning, Mr. Edgar Tekere, a senior member of the Rhodesian guerrilla alliance, the Patriotic Front, condemned what he called Mrs. Thatcher's "racist mind" and repeated the Front's demand that the existing Rhodesian army be "completely dismantled and replaced by a new national army" as a pre-condition of any settlement.

The criticism came as representatives of the five African front-line States were preparing to meet at State House, Lusaka, to draw up their strategy for the conference which opens on Wednesday.

Decision

Dr. Kaunda referred to Mrs. Thatcvher's Canberra statement last June, in which she doubted whether a renewal of sanctions against Rhodesia would go through the British Parliament.

"We thought they (the British Government) were coming to the conference with open minds, but to speak of lifting sanctions in November is taking a decision on an important matter which affect the whole Commonwealth without regard to the outcome of the conference.

"I would have respecter their point of view if they had kept their ideas to themselves," said the President, "instead of talking about them in public."

Turning to Mrs. Thatcher's views on the dangers of the Soviet role in southern Africa, Dr. Kaunda said: "I understand she is very frightened of Russian influence in this part of the world. It is very sad because when people become frightened they lose reason. I hope she hasn't reached that state."

Later in the interview, having repeated Zambia's criticism of Britain's failure to prevent oil reaching Rhodesia, the President exclaimed: "Ho we've been cheated by British Governments."

None of the sentiments Dr. Kaunda has expressed in interviews over the past few days are new. But hat he has chosen to repeat them on the eve of the conference serves to underline Zambia's tough stand on Rhodesia and will increase the prospect of a clash between Britain and African front-line members.

Mrs. Margaret Thatcher, at Londons Heathrow before leaving for Lusaka.

Mr. Tekere, who is secretary general of the Zimbabwe African National Union (ZANU) wing of the Patriotic Front, said that the Rhodesian internal setlement can "form no basis whatsoever for any discussion on the Rhodesian problem."

He described Mrs. Thatcher as "frantically keen" to recognise the Government of Bishop Abel Muzorewa "to as to facilitate her Government's and her Western allies' military and other support for the evil racist regime."

He expected the British Prime Minister to argue that the Front should "seek accommodation with Ian Smith and the traitors."

Mr. Robert Mugabe, the Zanu leader, was due to join Mr. Joshua Nkomo, head of the Zimbabwe African Peoples Union (ZAPU).

Tony Hawkins reports from Salisbury: Dr. Silas Mundawara, Zimbabwe Rhodesia's Deputy Prime Minister, said last night that no firm proposals had been made by British Ministers and officials during his London talks last week.

In the first official Salisbury comment on the talks between Dr. Mundawarara and his col-

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For latest Share Index phone 01-246 8026

RIVALRY BETWEEN ETA GROUPS MAY SPARK INCREASED POLITICAL VIOLENCE

New bomb threats paralyse Spanish capital

BY DAVID GARDNER IN MADRID

PUBLIC TRANSPORT came to a halt for nearly two hours in Madrid yesterday following warnings of bombs in three metro stations and several southern bus stations, paralysing the capital's traffic system before its numbed inhabitants had come to terms with Sunday's fatal bomb attacks on the airport and two main line railway stations.

All the evidence now suggests that Sunday's attacks, which killed five and wounded over a hundred, were the work of ETA (Politico-Militar), which both telephoned a warning on the bombs and subsequently claimed responsibility for them through the Basque news agency Euzkadi Press.

Though these bombs were not directed against the autonomy agreement, reached two weeks ago between the Government and mainstream Basque parties, ETA (P-M) appears to have been persuaded into acting as a result of the considerable haemorrhage of its activists towards the pro-independence and more militant ETA-Militar.

This development, which parallels events following negotiations between the Government and both ETA groups in March 1977, when ETA (P-M) went into semi-retirement, could lead to an increase in violence and a significant weakening of the camp which favours autonomy rather than independence.

Roger Taylor

A Basque bomb at the weekend wrecked this baggage room at Madrid's Atocha railway station.

Unlike the organically separate ETA-Militar, which hits specific army and police targets in its fight for all-out independence, ETA (P-M) backs home-rule as a short-term solution to the Basque situation, though without renouncing independence as a final goal.

The autonomy agreement, which is due to go to referendum in September, was reached against the dramatic backdrop of a campaign of bomb attacks by ETA (P-M) earlier this month on Spain's Mediterranean coastal resorts. This had as its declared objective, the withdrawal of paramilitary units from Soria maximum security gaol in northern Castille, and the transfer of the 105 alleged ETA activists held there to prisons in the Basque country.

The coastal bombings ceased when the Government withdrew the units and promised "re-patriation" for the prisoners by 1980.

There is no doubt that the backing of ETA (P-M)'s political representatives for the home-rule provisions was one of the decisive moments in the negotiations between the Government and the main stream Partido Nacionalista Vasco. However, the slogan used to synthesize the coastal bombing offensive was "Estatuo arekin presoak kalera," meaning "with the statute (of autonomy) all our prisoners in the street."

The telephoned warning described yesterday's bombings as the second phase of this campaign, which ETA (P-M) members said last week would go on until a full amnesty for Basque political prisoners was granted.

In a communique issued on Sunday night, ETA (P-M) accused the Government and police of deliberately not evacuating the airport and two railway stations, although they had been given an hour's notice. A warning of up to two hours had been issued in all the coastal bomb attacks, in which there were no injuries execept for a Belgian couple who ignored police instructions.

The dispute over what time the warning was given has all the ingredients of a major row on security in public areas. The national news agency EFE first said the warning had been received shortly after noon, correcting this later to 12.40 pm local time.

Since the bombs exploded between 1.05 pm and 1.15 pm, this would go some way to explaining why no attempt was made to evacuate the three areas. However, Euzkadi Press has confirmed that it received the warning at 12.05 pm and that it immediately notified the San Sebastian police, leaving the better part of an hour for evacuation of the crowded airport and railway station halls.

● European holiday companies reported few cancellations for Spanish holidays yesterday after the weekend bombings in Madrid—and some said business was actually improving, Reuter adds.

West Germany's biggest tour operator Tui said: "We have not had one single request to come home early nor have any bookings been cancelled."

The Dutch concern Holland International, which received 500 cancellations following last month's explosions on the Spanish coast, said there had been no reaction to the latest bombs.

Some travel agencies in Britain and Sweden said bookings for Spain were increasing, helped in Britain by the strength of sterling, and in Sweden by a long spell of bad weather.

Editorial comment, Page 14

Poles cut speed limits, put up petrol

Poland has raised petrol prices and imposed speed limits to conserve oil and improve road safety, according to the government news agency PAP, reports AP-DJ in Warsaw. It said the price of petrol has been increased by about 15 per cent to 95p per gallon. The Government has also set a speed limit for cars of 55 mph on main highways and of 43 mph for lorries and buses.

Poland imports about 16.5m tons of oil a year, 75 per cent of it from the Soviet Union and the remainder from the free market.

The registration of private cars in Poland has increased from 480,000 in 1970 to 1.8m, according to official reports.

CIA forecasts fall in Soviet oil output

Soviet oil production could begin to decline next year and the Communist countries as a whole will become oil importers rather than exporters within three years, according to a United States Central Intelligence Agency study, Reuter reports from Washington.

The study, disclosed by Congressman Les Aspin, forecast that as early as 1982 the Communist nations could be importing 700,000 barrels of oil a day. Mr. Aspin is Chairman of the House Intelligence Oversight Sub-committee. He said that, according to the CIA, Soviet oil production could drop by a third in the next six years. Production is now at 11.5m barrels a day.

Dutch trade deficit

The Dutch visible trade deficit rose to Fl 836m (£180m) in May from a downward revised Fl 357m deficit in April and a deficit of Fl 612m in May, 1978, Central Office figures show, Reuter reports from The Hague. The May deficit was originally reported at around Fl 800m earlier this month, while the April deficit was last put at Fl 267m.

Luxembourg vote

The new centre-right coalition of Prime Minister Pierre Werner of Luxembourg has won a confidence vote in Parliament on a government programme which centres on tax reform, Reuter reports.

The programme calls for cuts in personal taxation and other measures to help the middle income group and industry. Also planned is a study on the introduction of an Ombudsman, and moves to boost tourism and agriculture and to protect the environment. The Government has abandoned plans to build a nuclear power station and is considering a coal-fired one.

Belgian inflation up

The Belgian consumer price index rose by 1 per cent in July compared with June, to stand 4.8 per cent higher than July last year, the Economics Ministry said, Reuter reports from Brussels. In June, the index was 0.52 per cent higher than May and 4.5 per cent above June last year.

Australia strikes threaten iron ore exports

BY OUR SYDNEY CORRESPONDENT

AUSTRALIA'S strike wave has affected hundreds—and thousands of workers but the most serious dispute involves only 2,500 mine workers in the Pilbara iron ore region, and is jeopardising prospects for expansion of Australia's trade and the position of the area as the world's biggest iron ore exporter.

The effect of the strike, now in its tenth week, is being felt around the world, particularly in Japan, at a time when there are signs of recovery and increased demand in the world steel industry.

Japanese steel producers are alarmed at their low ore stock-piles, and have announced they are looking for alternative supplies. The mills are in their sixth successive quarter of expansion and predict that steel sales in the year ending next March could reach 112m tonnes.

At the same time, the strike is hampering local producers in exploiting new markets in China, Korea and the expanding ASEAN (Association of South-East Nations) economies.

The strike, over a 40 per cent pay claim, has already cost about £43m in lost export income, according to executives at the Hamersley iron mine. Recent stoppages at the other Pilbara mines, including a strike by locomotive drivers at the Mt. Newman project three months ago, have added to the problem.

By the year's end, according to company spokesmen, about £60m will have been lost.

Even if the strike ends this week, according to the same spokesmen, production will be down more than 10m tonnes, to 77m for the year. Union and company officials are locked in negotiations in the small Pilbara town of Karratha, about 800 miles north of Perth, the West Australian capital, but so far there is no indication of whether the talks will lead to a return to work.

Australia ranks second behind the Soviet Union in iron ore production, and rocketed to the position of number one exporter after Pilbara was opened in the mid-60s. It now accounts for 11 per cent of world production, with an annual output of about 100m tonnes, but is facing strong competition as an exporter from Brazil, which accounts for 8.2 per cent of world production.

Local ore supplies about half of Japan's needs, but again Brazil is pressing hard to win a greater share of that market.

However, industrial relations problems in the Pilbara—a hot, dusty region, isolated by hundreds of miles of desert—remain extremely bad. In the past five years, there have been 3,094 strikes in the region, with a cumulative loss of nearly 4m man hours. In early June, a 24-hour national strike followed the arrest of 10 unionists after a strike meeting in Karratha.

Many of the strikes are over safety or accommodation—problems which good management-union contact could often prevent. Mr. Malcolm Fraser, the Prime Minister, has proposed the heavy-handed solution of de-registration of the nine unions in the area, and his deputy, Mr. Douglas Anthony, who is also Minister for National Resources, advocates that the Pilbara be closed as a temporary measure.

● A national dockworkers' strike, which began at midnight yesterday local time, is the latest in the series of disputes which have crippled communications, transport, and basic industries over the past two months.

The strike, caused by an inter-union dispute at the docks at Fremantle, Western Australia, will last for at least 24 hours, according to a spokesman for the Waterside Workers' Federation, but may go on indefinitely.

Meanwhile, more than 200 public servants have been stood down after refusing to do work as directed. Public servants instituted a series of work bans as a protest against new Government legislation which allows forced early retirement of bureaucrats, and their suspension and dismissal if they are involved in, or affected by, industrial disputes.

Turkish debts rescheduled

By David Tonge

A FURTHER $1,100m of Turkey's external debts have just been rescheduled, and the emergency aid programme of the Organisation for Economic Co-operation and Development has been increased from $906m to $961m.

The rescheduling covers state and state-guaranteed debts to OECD countries falling due between this month and June next year. In May 1978 a similar agreement had been signed covering $1,200m worth of debts, falling due between May 1978 and June 1979.

The rescheduling was signed in Paris last week between Turkey and other OECD governments, and is the latest in a series of moves which when completed, will spell the end of the largest-ever debt restructuring operation. Over half of Turkey's $12bn external debt has been involved.

Still to be tackled is the complicated matter of the convertible Turkish lira deposits. The Turkish Government hopes to sign an agreement on the $2.4bn involved on August 22. The other main outstanding items are third-party reimbursement claims totalling about $250m and unguaranteed suppliers' credit arrears of up to $1.7bn.

The Government has prepared a programme for rescheduling these last two categories and attached this to the documents covering the $407m fresh money loan signed with various banks in London on July 13.

Soviet Union denies harassment of FT man

MOSCOW — The Soviet Government newspaper Izvestia yesterday poured scorn on a charge by the Financial Times that Mr. David Satter, its Moscow Correspondent, was being harassed, describing it as a "bogus hullabaloo."

Mr. Satter, a 31-year-old American also accredited to the Chicago Sun-Times, has worked in Moscow since 1976, but this month Soviet authorities told him his accreditation would be renewed only for six weeks until August 19.

The Financial Times protested publicly in a statement on Friday about the way Mr. Satter had been treated in recent weeks, and said in an editorial that the Kremlin should honour the sections of the 1975 Helsinki European security accords allowing foreign journalists to work unhindered.

Mr. Satter's case has also been raised with the Soviet Foreign Ministry by both the British and U.S. Governments.

Izvestia repeated accusations made against Mr. Satter by the Foreign Ministry, including being involved in a fight with a policeman, violating traffic rules and insulting Soviet tourist staff on a trip to the Ukraine.

However, it said nobody had yet taken away his accreditation, let alone expelled him. A suggestion by an Intourist chauffeur who drove Mr. Satter on his Ukrainian trip that he should be flung out was "purely a personal opinion," Izvestia said.

The Izvestia article did not say whether Mr. Satter's accreditation would be renewed again in August, but it appeared to leave open the possibility that he would be allowed to stay in Moscow.

It also made no reference to the Financial Times' other complaints "harassment," including a break-in at Mr. Satter's office, a theft of vehicle documents from his car and the subsequent removal of his licence plates by police.

Reuter

Our Foreign Staff adds: Meanwhile, both the British and U.S. governments have protested further to the Soviet authorities over the treatment of Mr. Satter.

In London, the Foreign Office called in Mr. Vladimir Kelin, the Soviet chargé d'affaires, to stress that it was essential that Mr. Satter be given proper accreditation and allowed to do his job in reasonable conditions.

Senior British officials repeated that the UK proposed to observe the important principle of the reciprocal treatment of journalists—a point already made in Moscow last week—and reminded the Soviet Union of its obligations to improve journalists' working conditions under the 1975 Helsinki agreement.

● In Washington, Mr. Robert Berry, Deputy Assistant Secretary of State, last Thursday called the Soviet chargé d'affaires, to the State Department and told him, officials said, that he "regarded Mr. Satter as an accredited American journalist and would be disturbed if his accreditation was not renewed."

Bonn's relations with Tehran under strain

BY ROGER BOYES IN BONN

RELATIONS BETWEEN Bonn and Tehran are coming under increasing strain because of the activities in West Germany of so-called "revolutionary tribunals" and because of the collapse of two important bilateral energy projects.

The West German Government yesterday rejected criticism, voiced at the week-end by Mr. Sadegh Tabatabai, the Iranian Government spokesman, that it had a distorted view of events in Iran and that some West German Ministers were opposed to the current regime. It has made clear, however, that the operation of Iranian tribunals—questioning Iranian students suspected of links with the former Shah's security service—would hurt relations between the two countries.

So far, the tribunals have been active in about 10 West German cities. Over 20 members of the tribunals have been arrested and are facing charges of attempted kidnapping, theft and causing bodily harm. Police say that several students have been beaten up and that one student is paralysed after jumping from the window of a hostel in Krefeld to escape interrogation by the revenge squads.

The Tehran Government has denied any connection with the tribunals. But the Iranian embassy in Bonn has admitted that it is holding the passports of five of the victims of the tribunals and has not explained how they were obtained.

Relations between the two countries have also been complicated by the Iranian decision to stop exporting gas and to the break off of the Kraftwerk Union KWU nuclear power station deal.

The collapse of the KWU contract to build two nuclear power stations near Bushire on the Gulf has been a particular blow, as the deal was seen as the touchstone of future Iranian-West German business links.

The Iranian move, confirmed at the weekend, to scrap the IGAT-II gas pipeline to the Soviet Union is also likely to cause problems for West Germany, which had been counting on Iran supplying about 8 per cent of its gas needs by the end of the next decade. Under the current agreement, Iran was to supply gas to the Soviet Union which would then deliver an equivalent amount to West Germany and three other European countries.

The race is on for as yet unproven Norwegian gas reserves, writes **William Dullforce,** Nordic correspondent

North Sea rivalry sharpens

AS NORWEGIAN offshore operations accelerate from a slow start, foreign interest—at least at Government level—is concentrating on the race for Norway's North Sea gas.

With the French and West Germans offering to help finance a gas-gathering pipeline to carry the gas to the Continent and the British Government re-opening the door to a joint Norwegian-British pipeline project, the rivalry is sharpening.

The competition is less for the gas already shown to exist as for the unproven reserves, which everybody is sure will be found, some of them possibly by wells being drilled this summer. The Norwegian Government is under growing pressure to decide on a new pipeline, but, until new reserves have been proved, committing funds to a project which could turn out to cost all of NKr 15bn (£1.3bn) is a very risky business. Norway expects its foreign partners to share that risk.

The Norwegian Oil and Energy Ministry's latest estimates put proven gas reserves on the Norwegian continental shelf at 400bn cubic metres. Of these, 220bn are in the Ekofisk complex and 110bn in the Frigg Field, both of which are already being produced through pipelines respectively to Emden in West Germany, and to St. Fergus in Scotland.

Of the remainder, 50bn cubic metres are in Statfjord, the giant oil discovery, which straddles the North Sea dividing line, with 88.8 per cent on the Norwegian side, and 20bn are in the Valhall Field, on which development is now going ahead. The associated gas in Statfjord poses a problem for the Norwegian Government.

The companies sharing the field believe that, within five years of the start of oil production later this year, it will be impossible to continue re-injecting the gas because of the peculiar characteristics of the reservoir. The Government has banned flaring because it wastes a valuable national resource.

Some solution must be found for transporting the gas to land. But five years is approximately the lead time needed to plan and build a pipeline, so that a decision is becoming increasingly urgent.

The Norwegian Government has been waiting to see whether drillings on promising, newly licensed blocks would find enough gas to justify the construction of a trunk pipeline running from north to south, which could also take in gas from discoveries now considered to be too small for exploitation. The Oil Ministry believes that it can delay a decision until next June or July.

However, it is becoming increasingly evident that, even if more gas is found this year, it can take more time than is available to the Government to be sure of the size of the reserves and to assess their commercial value. Experience from the so-called "golden block" 34/10, which was thought to have reserves in the Statfjord class, illustrates this point.

The golden block undoubtedly contains a lot of oil and gas but they lie in complicated structures and it now looks as if development could be a costly business. Statoil, the state oil company, wants to take the whole of 1980 to drill six wells in addition to the three already drilled, in order to obtain a complete delineation of the structures.

The so-called silver block, 30/6, which attracted applications from 46 of the 47 companies bidding in the fourth concession round, appears to be a simpler structure, and the well being drilled on it this summer could confirm expectations. It would still take time to assess the reserves, even if confirmation that gas existed in substantial amounts would make a pipeline decision easier.

A decision to build a gas-gathering pipeline taken in the middle of next year would still entail a risk element. The decision could be aborted in the planning stage but funds would have to be committed and some guarantees on price and market would have to be negotiated.

Moreover, as the experience obtained on 34/10 indicates, the Government might find itself committed to building a pipeline and exploiting reserves at a rate of return on investment, which would be unacceptable by normal oil company standards.

The British Gas Corporation provides an easy solution to the Statfjord problem. It has offered to buy the gas at the wellhead. By reverting to the concept of a gas-gathering pipeline, the Conservative Government has reopened the possibility of a joint project, giving Norway a transport channel for more than the Statfjord gas.

But the Norwegians have strong reservations about the British offers. They do not want to be tied to a single buyer, especially one which pays less for its gas than Continental customers. The Norwegians would also not like to abandon control of the pipeline carrying their gas.

The Continentals, especially the French, offer an attractive alternative. They would pay well, they offer access to a big Continental network, they are willing to contribute largely to the financing of the gas-gathering pipeline. The consortium established by Ruhrgas Gasunie, Gaz de France and Distrigaz to secure supplies for their combined network would be a strong partner.

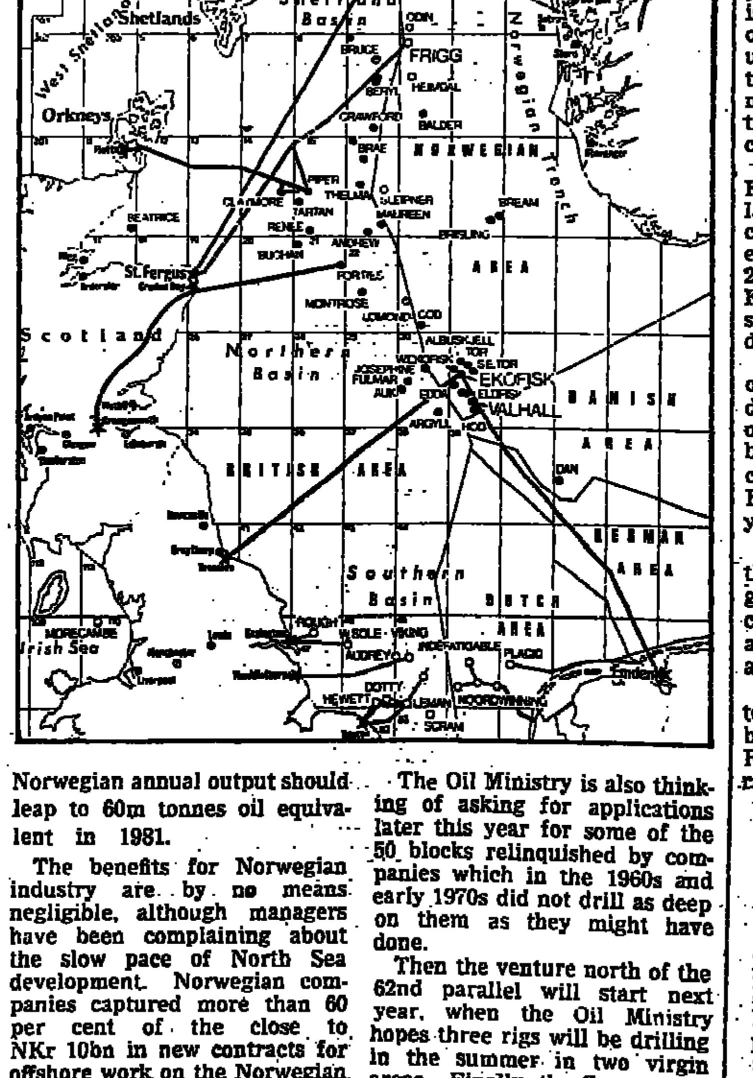
The French, too, are very concerned about the energy shortage and the need to secure long-term national supplies. Apparently, they have persuaded the Norwegians that, in the interests of supply security, they would be prepared to pay what it costs to develop gas reserves that are commercially marginal.

An alternative in which the Norwegians are keenly interested would be to land the gas in Britain but to re-export it to the Continent. So far, the French have turned down the idea of a cross-Channel link. The Norwegians would like to explore other re-export possibilities. But, as time runs out, the lobbying in Oslo by foreign governments for access to Norwegian gas is bound to intensify.

Meanwhile, the Norwegians seem at last to have shifted into a higher gear in exploiting their North Sea petroleum resources. With eight rigs drilling on the continental shelf, exploration is more intensive than at any time during the past four years.

In 1979, production will climb by about a quarter to around 40m tonnes oil equivalent and, benefitting from the recent oil price increases, the gross income should reach about NKr 22bn (£1.9bn) this year.

No further delays or cost increases have been signalled recently from Statfjord. When this field comes on stream, Norwegian annual output should leap to 60m tonnes oil equivalent in 1981.



The benefits for Norwegian industry are by no means negligible, although managers have been complaining about the slow pace of North Sea development. Norwegian companies captured more than 60 per cent of the close to NKr 10bn in new contracts for offshore work on the Norwegian shelf placed last year.

The Oil Ministry's new interest in bringing marginal fields into production and the opening up for exploration of promising new blocks in the fourth concession round should bring forward demand for contractors.

The Oil Ministry is also thinking of asking for applications later this year for some of the 50 blocks relinquished by companies which in the 1960s and early 1970s did not drill as deep on them as they might have done.

Then the venture north of the 62nd parallel will start next year, when the Oil Ministry hopes three rigs will be drilling in the summer in two virgin areas. Finally, the Government plans to publish this autumn another White Paper on oil policy, which will contain a new attempt to define how the oil income is to be used and promises to tackle at last the question of how the country's future capital exports are to be organised.

Kuwait to continue curbs on spending

BY LESLIE DE QUILACQ IN KUWAIT

KUWAIT has decided to continue to restrain spending, despite the enormous increase in its oil revenues because of this year's oil price rises.

The budget for the financial year July, 1979-June, 1980, shows total revenues 41 per cent higher than last year's projected revenue, but spending up by only about 16 per cent.

Revenue, traditionally projected conservatively in Kuwait, is put at KD 3.241bn (£5.1bn), of which 96.3 per cent is made up of oil revenue. The projection for the last financial year, made before the full extent of the oil price increases became clear, was KD 2.3bn.

Projected spending is put at KD 2.25bn against KD 1.94bn last year. The 16 per cent increase is less than the unofficial estimate of the inflation rate of 22 per cent made by a senior Kuwaiti official, suggesting that spending may in real terms decline.

Kuwait has lately underspent on its general budget. The development budget, which has, on the other hand, recently been overspent, is being increased by only KD 5m to KD 395m, compared with last year's.

Because of financial restraint, the State General Reserve will get the lion's share of the increased revenues. It is being allocated KD 617m this year, against KD 80m last.

In addition, 10 per cent of total revenues will, as provided by the constitution, go to the Reserve Fund for Future Generations for long-term investment.

With the surplus revenue from last fiscale year after contributions to the two reserve funds estimated at between KD 600m-KD 700m, this means that Kuwait will be seeking investment outlets for at least KD 1.5bn this year.

According to Kuwaiti investment policy, about 60 per cent of this will go for shares, bonds, deposits and real estate in the U.S. and Europe.

Kuwait, like other oil-producing countries, has come to realise that high rates of spending can lead to rampant inflation and social and political unrest. The country began to slow down its spending last year, and the troubles in Iran have only served to reinforce this trend.

Last year's projected expenditures were 1.5 per cent lower than the year before and the allocation for development projects was down 1 per cent from the previous year.

By contrast, development expenditures for the 1977-78 Budget were 44 per cent higher than the previous year's, and these expenditures had increased 160 per cent in the three years preceding 1976.

Reuter adds: Kuwait has no plans to cut oil output, Abdul Aziz Hussein, Kuwaiti Minister of State for Cabinet Affairs, said yesterday. He was commenting on a local newspaper report that Kuwait was expected to reduce oil production by 500,000 barrels a day from January 1980. Kuwait produces about 2m b/d.

Purge cuts deep in Iraq

BY IHSAN HIJAZI IN BEIRUT

A LARGE-SCALE purge of the government and ruling Baath party is underway in Iraq as hundreds were reported to be awaiting trial by the seven-man emergency court set up last weekend by the highest executive, the Revolutionary Council.

The regime of President Saddam Hussein, which is only two weeks old, has gone through a political trauma because a reported conspiracy against it came from within the inner circle of power.

The ringleader has been identified as Adnan Hussein al-Hamdani, who was named vice premier in the new Cabinet formed on July 16 when President Hussein succeeded President al-Bakr as the top state and army post.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates ... Second class postage paid at New York, N.Y. and at additional mailing centres.

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Mrs. Gandhi's disapproval may topple Charan Singh

BY K. K. SHARMA IN NEW DELHI

MR. CHARAN SINGH yesterday expanded his Cabinet by 10 members, seven of whom belong to the Congress Party with which the Prime Minister's Janata (S) — the "S" stand for secular — has now an effective coalition. But the composition of the Cabinet makes it clear that it will be highly unstable.

The main reason is that the Congress Party ministers include at least two to whom Mrs. Indira Gandhi objects.

They have been included by Mr. Charan Singh in his Cabinet despite her disapproval, which is based on the fact that they testified against her before commissions of inquiry.

The two are Mr. T. A. Pai and Dr. Karan Singh. Both have campaigned against Mrs. Gandhi ever since she was ousted in the 1977 general elections. Since they now form part of the new government, she has withdrawn her support for it.

The main implication of this is that Mr. Charan Singh will not receive the crucial support of 72 members of Mrs. Gandhi's Congress (I) faction in Parliament when he seeks a vote of confidence in the third week of August. Without it, his Government would probably be unable to survive.

Mr. Charan Singh's decision to take in the controversial ministers is said to be based on his determination not to be bound by Mrs. Gandhi's demands since he is committed to combat "authoritarianism" (a euphemism for Mrs. Gandhi).

Mr. Charan Singh

The Prime Minister is also committed to protect minorities, and has thus projected the secular image of his cabinet by including three Muslims, two Harijans (untouchables) and one Christian.

Among the portfolios announced so far are those of Mr. S. N. Mishra, who becomes Minister for External Affairs, and Mr. H. N. Bahuguna, who is Minister of Fnance. Mr. Mishra is to leave today for Lusaka to represent India at the Commonwealth Conference.

Mr. Bahuguna takes the important responsibility for tackling the virulent inflation which has led to prices rising by 12.6 per cent in less than six months. Mr. Bahuguna was a contender for the prime ministership, but his qualities as an economist are untested.

Reuter adds from New Delhi: A criminal conspiracy case against Mrs. Gandhi was adjourned yesterday until August 22 by one of the special courts established to try her for alleged offences during her 21 months of emergency rule.

Mrs. Gandhi had been summoned to the court for a preliminary hearing, but instead sent a lawyer to argue that prosecution was barred under a three-year statute of limitations.

The court agreed to the adjournment to allow the defence time to examine documents. Mrs. Gandhi and two others are charged with illegally prosecuting four government officials in 1975 for collecting information on a car-manufacturing project run by her son Sanjay.

She has also been summoned to appear next Thursday on charges of illegally acquiring Jeeps for use during India's 1977 general election.

Malaysia condemns Western rescue ships

By Our Foreign Staff

TAN SRI GHAZALI SHAFIE, Malaysia's Home Affairs Minister, yesterday criticised Western governments for sending "mercy ships" into the South China Sea to rescue "boat people" fleeing Vietnam. He claimed the arrival of ships would give Vietnam an excuse to break the pledge made in Geneva two weeks ago that it would check the refugee exodus.

Tan Sri Ghazali told a Kuala Lumpur news conference that the Vietnamese Government should be given four months to honour its promise to impose a moratorium on refugees

He claimed, however, that Vietnamese people, hearing that rescue ships were being sent to the South China Sea by the U.S., Italy and France, were slipping out to sea in defiance of the Vietnamese Government's clamp-down.

Meanwhile, in Thailand, an Interior Ministry spokesman has reported a tightening of security in its north-eastern border provinces after reports that more than 10,000 Cambodians are converging on the border to cross into Thailand.

They are thought to be some of the 45,000 refugees forcibly repatriated by Thailand in recent months.

AT THE START OF THE LUSAKA SUMMIT

African States differ over Rhodesia

BY MARK WEBSTER, RECENTLY IN MONROVIA

AFRICAN COUNTRIES attending the Commonwealth conference in Lusaka are anxious to paper over divisions in African opinion on the question of Zimbabwe Rhodesia which *showed themselves at the recent* Organisation of African Unity summit in Monrovia.

The conference eventually passed a resolution recognising the Patriotic Front as the "sole authentic and legitimate representative of the people of Zimbabwe" as demanded by the Front's co-leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe. This is a change from the Front's previous status as "sole liberation movement." It also narrows the grounds for manoeuvre in any future talks on the country.

But the resolution was not passed without considerable opposition especially from the Francophone countries. Ivory Coast, Zaire, Cameroon, Liberia and Lesotho all publically expressed their reservations to the Front being named as the "sole" representative. Other African countries are reported to have voiced the same opinion privately.

Mr. Mwai Kibaki, the Kenyan Foreign Minister, who led the Kenyan delegation to the OAU, said before he left Nairobi that a "very significant change" had taken place in Rhodesia since the Government of Bishop Abel Muzorewa had taken over. Kenya has been identified as one of the "moderate" African States who wanted to leave the resolution on Rhodesia more open-ended.

Observers felt that the resolution was eventually passed in the form it did because of two reasons. The first was the importance of the southern African issue in cementing the otherwise rickety wall of African unity. Whenever a particularly devisive issue is threatening to cause total disunity among member states, there is always room for agreement over ending apartheid.

The second was the considerable diplomatic muscle exercised by Tanzania and Nigeria. Both countries who carry a great deal of weight in the OAU and were pressing for a tougher line over Southern Africa. Some delegates saw the final resolution as a compromise agreement which censured the Government of Bishop Abel Muzorewa, condemned Britain and the U.S. for their policies and called for sanctions but did not make any specific threat to any specific country.

One delegate said that a move to get members' countries to agree specific sanctions had failed.

Nonetheless, Britain and the U.S. were singled out for particular condemnation in both the resolution on southern Africa and that covering Zimbabwe. The southern Africa resolution said the OAU was "deeply shocked at the attempts of the United Kingdom government to lift sanctions against the illegal régime of Rhodesia and to ensure that this régime is recognised by the international community."

THE COMMONWEALTH CONFERENCE

Reuters reports from Dar es Salaam: Mr. Andrew Peacock, the Australian Foreign Minister, said yesterday that Australia would not recognise the Zimbabwe Rhodesia government of Bishop Abel Muzorewa in its present form.

He told reporters: "Our position is that we are not prepared to recognise the Muzorewa-Smith regime."

Former Rhodesian Prime Minister Ian Smith holds the post of minister without portfolio in the mainly-black government of Bishop Muzorewa to whom he handed over power last June.

Mr. Peacock added that Zimbabwe Rhodesia's elections were "an objective fact that should be taken into account."

But he said the constitution should be changed, white power reduced, veto powers and entrenched clauses abolished and there should be a change in the way the police and armed forces were controlled.

The minister, who was due to leave later for the Commonwealth summit in Lusaka, said he had a useful one-hour meeting on Sunday with Tanzanian President Julius Nyerere which focused on the Zimbabwe-Rhodesia issue.

Reuters adds from Salisbury, Zimbabwe Rhodesia's main daily newspaper The Herald yesterday proposed fresh elections and a change to the constitution.

The paper said in an editorial: "one thing is clear—our present constitution is unacceptable to the Commonwealth." It conceded that "the removal of sanctions and ultimate recognition will almost certainly depend on changes being made."

The editorial suggested: "would it not meet the day, despite the waste of time and money involved, for Salisbury and London to agree to new, properly supervised elections under an acceptably modified constitution?"

Five groups boycott Iranian poll for constituent assembly

BY ANDREW WHITLEY IN TEHRAN

AT LEAST five Iranian political organisations are boycotting next Friday's national elections to a "council of experts" to examine and approve the draft constitution.

A low poll is expected in the disturbed Arab and Kurdish minority regions. The militant Arab People's Political Organisation declared on Sunday it would not be taking part because of the absence of any mention of autonomy in the draft, drawn up in secret by supporters of Ayatollah Khomeini.

However, a surprising number of other liberal and middle class secular parties critical of the authoritarian cast of the document have decided to participate in the elections, to set up a 75-member assembly which will sit for one month.

When nominations closed on Sunday evening, 122 names had been put forward for the 10 places allocated to Tehran. Among them were representatives of the powerful Marxist guerrilla organisation Fedayeen-e-Khalq, and three leading members of the Tudeh Party, the pro-Moscow Communist Party.

The Government had declared that anyone can stand without restriction, although Ayatollah Khomeini and other clergymen have urged the public to vote for respected clergymen learned in Islamic law. When the full list of provincial candidates is published it is expected to show an 80-85 per cent domination by the Shia Muslim clergy.

Neither Ayatollah Khomeini nor the other six moderate members of the top echelon of ayatollas are *standing, but a* candidate put forward by several parties, ranging from left to right, is the popular Tehran clergyman Ayatollah Taleghani.

Among the parties boycotting the elections by refusing to put up candidates on the grounds that the procedures are undemocratic are the right-wing Pan-Iranist Party and the Marxist National Democratic Front, the most outspoken critic of the Bazargan-Khomeini Government.

With only three days to go before polling, the voting procedures remain vague in many key areas. In the capital over 2m eligible voters will be invited to pick up to 10 names from the entire list of 132. No political affiliations will be given to guide voters in their choice.

All men and women over the age of 16 are eligible to vote, creating a total electorate of over 21m, but the turnout is expected to be low despite the religious injunctions. A serious problem is illiteracy, estimated at over 50 per cent of the population. The Ministry of the Interior, *the supervisory body,* says it has "radical new ideas" to tackle this problem, but these have yet to be made public.

After the discontent expressed in many quarters over the blatant stage-managing of the March referendum on abolishing the monarchy, the Government is going to great lengths to show that voting will be free and open. All candidates are being given access to radio and television.

But so far there has been little public interest in the event. Many Iranians, with their ingrained cynicism, believe Khomeini has already decided what form the constitution *should take, although* they think he may be prepared to allow a few concessions to liberal opinion during the assembly's debates.

Israel accuses Egypt of infringing treaty

BY DAVID LENNON IN TEL AVIV

ISRAEL HAS accused Egypt of contravening the terms of the peace agreement in Sinai by keeping military aircraft at the El Arish airfield, handed over to the Egyptians two months ago.

Mr. Moshe Dayan, Israel's Foreign Minister, disclosed at *this week's Cabinet* session that Egypt has a helicopter squadron and military radar at the airfield. Under the peace agreement, El Arish and the other fields in Sinai are to be used for civilian purposes only, after they are returned to Egypt.

This issue was due to be discussed during the talks in Israel between Mr. Ezer Weizman, Defence Minister, and his Egyptian counterpart, Gen. Hassam Kamal Ali, at present there on a three-day visit.

Mr. Weizman is known to take a less serious view than his Cabinet colleagues of such infringements of the peace treaty, and was not expected to press the issue very forcefully.

Meanwhile in Jerusalem, thousands of Arabs demonstrated outside the Knesset against expropriation of their land in Galilee and the Negev. A number of Jewish extremists were arrested when they attacked the demonstrators.

David Buchan adds from Washington: The U.S. is pressing Dr. Kurt Waldheim, UN Secretary-General, for guarantees on a new UN supervisory force in the Sinai that will remove Israel's strongly-voiced *objections* to the new arrangement.

Senior Administration officials say President Carter, who was due to meet Dr. Waldheim at the White House later yesterday, will press the Secretary-General for a *commitment that* unarmed UN observers would only be withdrawn from the Sinai, in the event of hostilities there, on a decision of the Security Council on which the U.S. sits.

Such an assurance is considered here a key factor in assuaging Israeli fears caused by the proposed replacement of the 4,000-strong UN Emergency *Force* (UNEF)—whose mandate ran out last week—by a smaller unit of unarmed UN observers.

Israel's rejection of this U.S.-sponsored plan has led to a sharp and public rift between *Washington* and Jerusalem, coinciding with a strongly-worded State Department criticism last week of Israeli plane strikes on Lebanon, and the U.S. announcement that it intends to sell tanks to Jordan.

Mr. Cyrus Vance, U.S. Secretary of State, is expected to meet Israeli and Egyptian Ministers here later this week, *to try* to settle the dispute over new peace-keeping arrangements *in the Sinai.*

AMERICAN NEWS

Steep fall in business productivity

BY JOHN WYLES IN NEW YORK

PRODUCTIVITY in the U.S. private business sector suffered its steepest drop in five years during the second quarter, reflecting the 3.3 per cent fall in gross national product allied to stable employment figures.

Although publication of the Labour Department's preliminary figures cast something of a pall over stock prices, the report of a 3.8 per cent seasonally adjusted annual rate of productivity decline was broadly expected by private economists.

Mr. Leif Olson, chief economist at Citibank said yesterday: "This is a pretty normal cyclical development in the first quarter of a recession."

The decline was the largest since the 6.9 per cent fall in the first three months of 1974 and followed a 2.8 per cent drop in the first three months of this year. It resulted in a significant 13.6 per cent increase in unit labour costs, because second quarter compensation per hour rose at a 9.3 per cent adjusted annual rate.

These cost pressures, allied to the economic slowdown, are now expected to boost unemployment during the coming months. June's jobless rate of 5.6 per cent was the lowest since August, 1974, and the coming shakeout could raise unemployment to around 6½ to 7 per cent by the end of the year.

The only bright spot in the productivity figures was a 3.3 per cent annual rate of increase in the manufacturing sector. This helped to restrain the loss in the non-farm business sector to a 5.7 per cent annual rate, which the Department said was the largest fall since it started collecting quarterly data in 1947. This reflected a 5.4 per cent slide in output and a 0.4 per cent decrease in hours worked.

Unit cost increases in non-farm business were at a 14.3 per cent annual rate and in manufacturing at a 12.5 per cent annual rate. Productivity in the private business sector, which includes farming, was 0.8 per cent lower than in the same quarter *last year and unit labour costs were 10.7 per cent higher.*

The continuing climb in unit labour costs is likely to give fresh impetus to Administration efforts to frame a new pay restraint policy to replace the current set of guidelines which are due to expire on October 1.

Though much abused, the Administration can apparently claim with some justice that they have helped to restrain the cost of pay settlements in the first six months. The Labour Department's latest figures indicate a 7.3 per cent annual rate of increase in wages and benefits over the life of union contracts, marginally below the 7.5 per cent overall increase permitted by the Government's pay guidelines.

But the rising trend of first year wage increases continued in the first half when the average rose from 7.6 per cent to 8.2 per cent. Moreover, first year increases in wages and benefits for bargaining units of 5,000 workers or more rose from 8.3 per cent to 9.2 per cent.

Hearings open in Chicago

By Maralyn Edid in Chicago

A FEDERAL investigative agency opened hearings here yesterday into the cause of the American Airlines DC-10 crash in which 273 people died seconds after take-off from Chicago's O'Hare airport on May 25.

The National Transportation Safety Board is expected to call approximately 40 witnesses over the next two weeks, including representatives of American Airlines, McDonnell Douglas Corporation, General Electric Corporation, and the Federal Aviation Administration (FAA).

American Airlines and McDonnell Douglas, the aircraft's manufacturer, are expected to blame each other for the disaster—the airline claiming that McDonnell Douglas sold it a dangerous aircraft and the manufacturer insisting that the airline followed incorrect maintenance procedures.

General Electric produced the engine which tore away from the aircraft during take-off. Approximately 65 law suits have been filed against the airline and two manufacturers so far. A pre-trial conference is expected to convene in Chicago on August 15 and the cases are expected to be consolidated and heard as a group.

The FAA grounded all U.S.-registered DC-10s and prohibited foreign DC-10s from flying in U.S. air space on June 6, lifting the order on July 13. The FAA's own investigation concluded that incorrect maintenance procedures damaged the pylon which connected the engine to the wing, and possibly contributed to the engine tearing loose.

The agency has also said that the design of the aircraft is basically safe, although difficult to maintain and inspect. An FAA spokesman noted that the agency has issued strict inspection guidelines and is considering requiring some design changes that would make inspection easier.

Since the DC-10s resumed flying, several "engine shutdowns" have been reported. The FAA said that the engine problems are not related to the crash and are occurring no more frequently now than before the accident.

SALT debate turns to defence spending

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration will modernise its strategic nuclear arsenal under the SALT II Treaty, Mr. Cyrus Vance pledged yesterday. But the Secretary of State gave no precise commitment on defence spending increases, which a growing number of senators have made the price for their votes to ratify the treaty.

Mr. Vance was confronting the Senate Armed Services Committee, one of whose most influential members, Senator Sam Nunn, said last week that he would vote for the arms pact if at the same time the U.S. increased its defence budget by 4 to 5 per cent in real terms over the life of the treaty, until 1985.

The Georgia Senator's statement pointed up the subtle shift that has taken place since Senate hearings on the treaty began on July 9, from examination of the treaty on its merits to a general review of relative superpower strength.

To meet the demand of Mr. Nunn and his supporters, however, would probably upset Mr. Carter's policy of Government spending restraints, and might also lose pro-SALT votes from liberal senators, who oppose heavy arms spending.

Mr. Vance went along with the conservative majority on the Armed Services Committee in saying that SALT II was no substitute for "our own defence efforts. But I submit that it makes no sense to reject the treaty, and thus increase the strategic forces we face, in order to enhance public awareness that our defence needs are real," he commented in his prepared testimony.

Senator Nunn . . . promises vote for ratification

Senator Nunn's contention is that if SALT II acts as "a tranquiliser," lulling the U.S. public into a false sense of security and complacency about arms spending, then its rejection by the Senate might prove a salutory jolt.

Meanwhile, a report by the General Accounting Office (GAO) the investigatory arm of Congress, has concluded that financial incompetence by the Defence Department in its role as the middleman in U.S. arms sales around the world may have left the Government liable to substantial compensation payments to U.S. defence manufacturers for cancelled contracts.

Specifically, the GAO report alleges that the Defence Department did not have enough cash on deposit from Iran to cover the cancellation costs on the $7.7bn worth of U.S. arms contracts which the new Tehran Government has scrapped since the start of the year. At the time of the Shah's overthrow, Iran had a total of $12.6bn of arms on order from the U.S.

Canadian growth 'to slow to 3%'

BY DAVID WHITE IN PARIS

THE CANADIAN economy will escape the immediate impact of oil price rises but faces indirect effects next year as the country's trading partners hold down their imports.

This warning comes in the OECD's latest report on Canada, published today. OECD experts reckon that Canadian economic growth in the coming 12 months is likely to slow to around 3 per cent, compared with the 3.5 per cent forecast in the report for calendar 1979.

The report, which predicts that the trade surplus will increase to U.S.$ 3.7bn this year from $3.4bn in 1978, was drawn up shortly before the OPEC price rises announced in Geneva a month ago.

Canada, the report says, may buck the trend of the OECD area as a whole and avoid a deterioration in its terms of trade this year, since it will gain on commodities much of what it loses on manufactures.

But its shortfall on services is likely to cause a larger deficit on current account of $4.8bn compared with $4.6bn last year.

Unemployment is likely to remain high as growth lags behind capacity. The average rise in consumer prices is forecast at 9 per cent for the year after a 7.8 per cent inflation rate in 1978.

The OECD warns that the rapid rise in consumer prices may lead to higher wage claims and an acceleration in the underlying inflation rate.

Canada is urged to maintain a policy of cautious demand management in the face of uncertainty about wages and prices. The tightening of fiscal policy in the 1978-79 budget is judged "broadly appropriate," but the OECD warns that further measures may be needed if demand pressures prove stronger than expected.

Brazil increases diesel prices by 50%

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL has raised the price of diesel and fuel oil by 50 per cent, effective yesterday. The National Oil Council (CNP) has decreed new prices of Cr 8.70 (14p) a litre for diesel oil, with a similar rise for high-grade fuel oil.

The sharp increases reflect the Government's intention of making transport and industry pay more realistic prices. Until now, diesel and fuel oil prices have been heavily subsidised by the tax on petrol. These two fuels account, respectively, for 26 per cent and 31 per cent of Brazil's daily consumption of nearly 1.2m barrels of oil derivatives, of which 960,000 barrels are imported.

Several Cabinet Ministers want to restrict petrol consumption through a 45 per cent increase in petrol prices, from Cr 10.60 a litre to Cr 14.80. this measure, however, is to be delayed until late August or early September.

Inevitably the oil price increases will be passed on to the consumer, giving a further boost to inflation, which rose to a monthly rate of 4 per cent this month. With the burden of an annual imported oil bill of $7bn, however, the Government has little choice but to charge consumers more for energy and to try to bring down inflation through monetary measures.

WORLD TRADE NEWS

Canada in new bid to win GM engine plant

By Robert Gibbens

THE CANADIAN Government has offered General Motors of Canada a C$82.5m (£31m) grant to build a C$625m aluminium casting plant for car parts in Quebec.

Eighteen months ago the Federal Government, then led by Mr. Pierre Trudeau, offered GM more than C$50m in special incentive grants to build the plant in Quebec. The offer would not have applied if it was built in Ontario, as the Government had already given incentives to Ford for its new V-6 engine plant at Windsor.

The provincial Government added further tax and other incentives to make a package of well over C$80m towards the capital cost of between C$400 and C$600m, as it was then estimated.

Now the Clark Government in Ottawa is offering a total of C$82.5m in aid, and it is presumed the Quebec Government's own contribution would bring the total to over C$100m. Capital cost is now put at C$625m.

The proposal from the Federal side is to locate the plant at Valleyfield near the Beauharnois smelter of Alcan Aluminium. GM has similar plants on the *U.S. side of the border at Messina, NY, and in Indiana.*

GM has always favoured a site near the Beauharnois smelter so that an alternative source of raw material would be available in the case of an aluminum industry strike in Canada. However, Alcan has favoured a location at Arvida-Jonquiere, 150 miles north of Quebec city, where it has about 500,000 tons of primary aluminium production and where it is spending more than $1bn in a 10-year modernisation and expansion programme.

Both GM and the Federal Government have confirmed that talks on the castings plant have resumed after a break of several months. GM said its market studies of the need for the castings plant are still not completed.

However, industry sources believe it will start producing a Canadian version of the X-body front-wheel-drive cars in 1981-1982 and also will make size-down and lighter front-wheel-drive intermediates at its Canadian plants in 1984-85.

Volvo Brazil unveils intercity bus

By Rik Turner in Sao Paulo

VOLVO BRAZIL has unveiled *its first production model for* Brazil—an intercity bus. The bus is bigger than buses currently used in Brazil and can carry 10 per cent more passengers while consuming only 3.5 litres of fuel per kilometer—the same as other buses.

It is 13 metres long, a metre longer than other buses used in Brazil and can carry between 46 and 53 passengers, depending on the model.

Volvo Brazil has also announced that it will be launching a city bus and articulated lorry in November, and a heavy lorry in the first half of next year. Volvo will be the first company to compete with Saab-Scania in the heavy lorry field in Brazil.

Volvo has also announced the development by the Swedish parent company of a bi-fuel engine, which works on diesel alone at low speeds but switches automatically to a diesel-alcohol *mix as the vehicle accelerates.*

It consumes 15 per cent diesel and 85 per cent alcohol.

French exports to Soviet Union increase by 50%

BY DAVID SATTER IN MOSCOW

FRENCH exports to the Soviet Union rose almost 50 per cent during the first five months of this year and the long awaited expansion of Soviet-French trade now appears to be firmly under way.

Bilateral trade volume fell 7 per cent last year because of *what French commercial sources* said was a temporary lull in deliveries.

The sharp increase in French exports during January to May, compared to last year, therefore provides needed encouragement that the Soviet Union and France will come close to their goal of trebling trade turnover in 1975-79 compared with the previous five-year period.

Figures released by the French Embassy show that *French exports had a value of* FFr 3.37bn (£347m), a 49.6 per cent increase over the value of exports for the equivalent five-month period in 1978, which was FFr 2.25bn.

The sharp rise in the exports figures was attributed to the beginning of deliveries under the FFr 2bn Technip contract for aromatics factories in Ufa and Tomsk, which was signed in 1976, and deliveries on the FFr 1.2bn Pechiney contract for an aluminium factory at Nikolaevsk.

French imports from the Soviet Union, predominantly oil and gas, also rose substantially in the first five months of this year. They had a value of FFr 2.54bn, a 25 per cent increase over the figure for January to May, 1978, which was FFr 2.04bn.

Total trade turnover increased 38 per cent to a value of FFr 5.91bn from a value of 4.29bn for the first five months of 1978 and the balance in France's favour increased to FFr 825m for the first five months of 1978 from a surplus of FFr 211m.

Both French exports and imports now appear set to expand further. The Soviets signed a contract in April with a French-German consortium headed on the French side by Creusot-Loire for a factory for production of small diameter pipe using the extrusion method. The French share of the contract has a value of FFr 500m.

The French also expect this year to increase their imports of Soviet oil, which last year came to 6m tonnes. They would also, if possible, like to increase their gas imports which last year amounted to 2bn cubic metres. The difficulty is that Soviet gas exports may be adversely affected by the troubles in Iran.

UK deficit with Holland rises

BY CHARLES BATCHELOR IN AMSTERDAM

BRITISH EXPORTS to the Netherlands rose sharply in the first half of 1979 but were still exceeded by the rate of growth of Dutch exports to the UK.

The UK deficit rose by more than half £311.2m from £196.5m in the same period of 1978, according to Department of Trade figures.

Exports to The Netherlands rose 49 per cent to £1.36bn fob while Dutch exports to Britain rose 33 per cent to £1.68bn cif. Britain continued to run a large deficit in the food and dairy sectors. Food imports were worth £289.8m compared with exports of only £65.1m, while dairy imports were £45.6m compared with exports of £25.3m.

Britain's oil balance was also in deficit. UK imports of petroleum and petroleum products amounted to £384.6m against exports of £254.9m. Chemical imports of £288.7m slightly exceeded exports of £253.9m.

Exports of machinery and transport equipment to The Netherlands exceeded imports, however. Machinery exports were £238.1m compared with imports of £207m while transport equipment exports totalled £111.7m against imports of £86.6m.

Olympic in $1bn expansion plan

BY OUR ATHENS CORRESPONDENT

OLYMPIC AIRWAYS, the Greek state-owned national air carrier, plans to invest $1bn (£435m) in the next five years as part of an expansion programme, including the replacement of its fleet to better face rising fuel costs.

The programme includes the gradual replacement of its seven Boeing 720, six Boeing 707 and seven Japanese-built YS-11A aircraft which are considered uneconomic. After 1985, Olympic will start phasing out its fleet of six Boeing 727s.

The airline already has two Boeing 747 (Jumbo) aircraft, four Boeing 737 and two wide-bodied Airbus A300 aircraft which it acquired last February.

Within its fleet renewal drive, Olympic has ordered three more Airbus A300s and five Boeing 737s to be delivered before the end of next year. An additional two Boeing 737s will be added to its fleet by early 1982 and five more Airbus A300s by 1983.

The company hopes the new aircraft will result in savings of around 25 per cent in fuel for each seat offered in addition to gains derived from improved marketing.

Over 500m has been budgeted for 1979/80 for construction work to update Olympic's facilities and for the purchase of up-to-date equipment.

The company plans to re-activate its Australian and Canadian services and at the same time expand its network to other areas, including Japan.

Meanwhile, Netherlands Airports Consultants (NACO) has been awarded the contract to prepare the preliminary study for the construction of the new Athens international airport at Spata, 30 miles east of the capital.

The present airport at Hellenikon, seven miles from Athens, is hemmed in by residential suburbs and the sea.

The 300m drachmas ($8.4m) contract, in which NACO will head a consortium to include five Greek consultant engineering firms, was awarded by the Civil Aviation Airport, the Greek State agency, recently set up to implement the project.

More Venezuelan oil for Brazil

BY KIM FUAD IN CARACAS

VENEZUELA has agreed to double its oil exports to Brazil, which in turn will supply Venezuela with nuclear technology. The deal follows a three-day visit there by the Brazilian Foreign Minister, Dr. Ramiro Saraiva Guerreiro.

Venezuelan oil shipments will rise to 50,000 barrels per day this year and in the future could be substantially larger provided Brazil gears its refining capacity to process Venezuelan heavy crude, according to the Energy Minister, Humberto Calderon Berti.

Brazil will provide Venezuela with technical aid in its plans to eventually move toward *nuclear generation of electrical* power to cover demand beyond the country's hydroelectrical potential in the future, under the agreement signed in Caracas last week.

Dr. Saraiva Guerreiro's visit represents a further step towards closer Venezuelan-Brazilian relations initiated at the end of 1977 when former President Carlos Andres Perez visited Brazil and signed a series of agreements covering economic, technical and cultural exchanges.

The enthusiastic reception given the Brazilian delegation by public and private sectors reflected the new trend which replaces a coolness in relations in the past.

A Brazilian-Venezuelan coordinating commission is now studying areas in which the two countries can increase trade which is currently about $500m per year. While Venezuelan exports to Brazil are basically petroleum and some petrochemicals, Brazil ships a wide range of industrial and agricultural goods to Venezuela.

In the longer term, Venezuelan-Brazilian trade appears to be linked to Brazilian efforts to adjust its overall, refining capacity to accept larger volumes of heavy crude.

The incentive for such a move lies in Venezuela's enormous reserves of such oil and the danger posed for Brazil by its present excessive reliance on the Middle East and North Africa for its 800,000 bd import requirements.

David Buchan reports on the careful rehearsals which led to Congressional approval of the Trade Bill

Strauss too cagey for U.S. lobbyists

NEVER HAS major legislation passed the U.S. Congress with so lopsided a fight as the GATT trade agreement this month.

Only four Senators and seven Congressmen in all cast their votes against the trade package—a sharp anti-climax from the bitter protectionist battle on Capitol Hill that the Carter Administration and foreign diplomats were predicting a few months ago.

The speed of its passage also caught by surprise many foreign Governments, which half expected and dreaded that many of the bargains painstakingly struck in Geneva would come unravelled in the U.S. legislature, as happened with the Kennedy Round agreements in the 1960s.

Signing the Trade Bill into law on July 26, President Carter hailed it as "a prime example of what we can do during these troubled times when divisiveness is so often a part of the American scene."

He might, indeed, rue the fact that Democrats and Republicans have not similarly banded together to speed his energy proposals on their way.

But the smooth final passage of the Trade Bill was deceptive.

One of the special factors was the stipulation in the 1974 Trade Act—giving the U.S. Administration authority to conclude the Tokyo Round agreements—that, once the agreements were formally introduced into Congress, on June 1 this year, neither the *Senate nor the House of Representatives* nor its committees, could amend the legislation. They could only accept or reject the package as a whole.

This meant the Administration had to do all its horse-trading with protectionist lobbies before the agreements were ever formally introduced. In the words of Mr. Robert Strauss, the wily chief U.S. trade negotiator, the Trade Bill was "pre-cooked." Mr. Strauss *proved a master chef.*

The bargaining with domestic lobby groups started early on, parallel with the tortuous negotiations in Geneva. Some 24 advisory committees from sectors of U.S. industry and agriculture, numbering no less than 980 people, were set up to help shape, and thereafter support, the U.S. negotiating hand.

Leading Congressmen were consulted as the negotiations went on—a tactic also used by the Carter Administration with less success in the top secret SALT II arms negotiations.

Last but not least, Mr. Strauss and his trade officials carefully rehearsed, line by line, the agreements during May with the two key committees of Senate Finance and House Ways and Means, to iron out their objections.

To sell the GATT agreements to the wider public, the Admini*stration cranked up its propa*ganda machine to good effect, even though some of its *estimates about the trade and* employment benefits to the U.S. were almost as much guess work as the negative predictions made by the protectionist lobbies.

For instance, the Administration has forecast the net benefit to the U.S. trade balance of the Tokyo Round tariff cuts to be $700m by the end of the next eight years.

This, however, would be relatively small beer compared with the benefit from the new Government Procurement Code, under which U.S. companies would be allowed to bid on foreign public contracts (and vice versa). Though Strauss officials admitted privately the effects of this new code were really incalculable, they none the less publicly advertised that it would bring a net gain to the U.S. of between $1bn and $2bn a year.

Many of the laurels for the Trade Bill belong to Mr. Strauss. "Only Bob Strauss could have done it," Mr. Carter said last week. But the U.S. trade negotiator's position was reinforced at crucial points—the 1977 London and the 1978 Bonn economic summits, for instance—by President Carter's commitment towards freer trade when some other Government heads were beginning to doubt the utility of the Tokyo Round.

Neither man, however, *showed himself averse to doing* a protectionist deal with a domestic U.S. sector along the way. In particular, with the two industries with special clout on Capitol Hill: steel and textiles. The introduction of "trigger" prices, setting a minimum level for imported steel, in early 1978, has helped mollify the big basic steel-makers, while their smaller brethren, the special steel manufacturers, did not howl too loudly when President Carter last month decided to give them some continued import protection until next *spring.*

Likewise, the textile lobby never really reared its head during the GATT debates in Congress, which only last autumn passed a bill—vetoed by President Carter—that would have barred the U.S. from negotiating any textile tariff cuts in Geneva at all.

With the passage of the Trade Act, U.S. companies must now show they have been materially *injured by subsidised imports if* the U.S. Government is to impose countervailing duties on those imports. This was a major concession to European Community demands in particular, and brings U.S. trade law into conformity for the first time with those of other member countries of the GATT.

The convoluted formula, finally inscribed in the U.S. Trade Act, defines material injury as "harm which is not *inconsequential, immaterial or* unimportant." But that does not greatly bother the steel industry and other groups, which have secured a wider definition of what constitutes a foreign Government subsidy.

The worst scenario for the Trade Bill had been that its presentation to Congress should coincide with the onslaught of an economic recession in the U.S., and that is precisely what did happen. Real output, according to the Commerce Department's preliminary estimate, fell during the April-to-June period at an annual rate of 3.3 per cent. But, in the event, it didn't matter.

The reason was that employment—the most most sensitive economic indicator for protectionists—has so far stayed remarkably stable. With oil price increases and shortages the major cause of the recession, the only heavy lay-offs of manpower have been in the car and truck industry.

Of course, the effects are bound to spread wider in the coming months and, indeed, the Administration has forecast that the jobless rate will rise from 5.6 per cent in mid-1979 to near 7 per cent by the end of 1980.

But while Congress debated the GATT agreements these past two months, the AFL-CIO—the trade union federation—perhaps constrained by the prolonged illness of its vociferous President, Mr. George Meany, barely raised its voice. The field was left open to Mr. Strauss's claim that over the long haul the Trade agreements would bring the U.S. a net gain of 80,000-130,000 new jobs.

But some in Congress worry that with growth in industrialised countries generally slowing down, the U.S. will have to fight all the harder for its exports.

In particular, the Senate Finance Committee used a threat to bottle up the GATT legislation in order to prod the Administration this month into public proposals to centralise and strengthen trade policy inside the federal bureaucracy.

The Administration proposal is a half measure, designed to satisfy Senatorial concerns without creating a brand new department, as many have urged. It gives more clout to the White House office of the U.S. trade representative—which gets responsibility for commodity and East-West trade from the State Department, as well as that for implementing the GATT agreements.

The other winner, under the plan, is the Commerce Department, which would take from Treasury responsibility of enforcing dumping and countervailing laws and duties, and would be renamed the Department of Trade and Commerce.

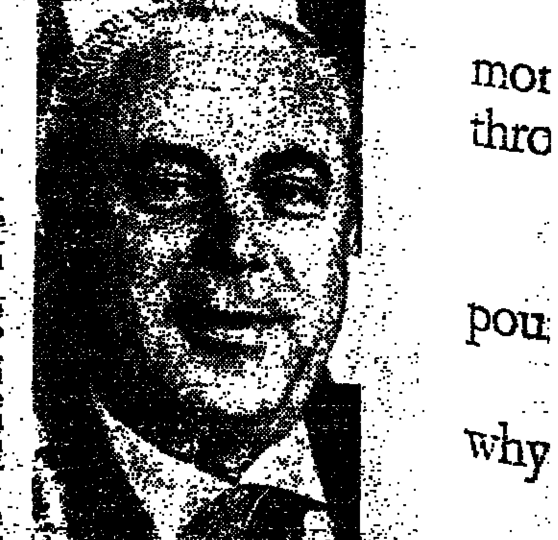
This is not quite the tautology it sounds, for the present Commerce Department has a rag bag of other functions unrelated to trade, such as fire prevention, oceanic and atmospheric matters, and a catch-all for statistical reporting.

Despite the consolidation, the Carter plan, which will have to be negotiated with Congress, retains the present departmental split between policy (in the White House Trade Office) and day-to-day trade operations (in the renamed Commerce Department).

It is this split—peculiar to the U.S.—that makes it easy for foreign Governments and traders to play one department against another, according to Mr. Frank Weil, a top Commerce Department official who is resigning, apparently because his recommendation for single trade entity was overruled.

Perhaps more important for U.S. trading partners, the switch of dumping and countervailing duty functions from Treasury to Commerce is taken as a sign that the U.S. will more strictly enforce its new trade laws. The Treasury has frequently been criticised for being too lax and dilatory in imposing duties where clear violations occur, and characterised as a night watchman afraid of the dark.

Certainly, the celebrated affair of the Japanese television sets seems to bear these accusations out. Despite a 1971 ruling that Japanese TVs were being dumped, the Treasury has only assessed, but not collected, $46m in duties on sets imported between January, 1972, and June, 1973. It has made no pronouncement on the $400m that could be assessed on TV imports since then.



Mr. Robert Strauss, U.S. Trade Negotiator—"a master chef."

The Commerce Department is, perhaps, no less a free-trader than the Treasury Department—the latter under Secretary John Connally was the most aggressively protectionist U.S. Department in this decade.

But Commerce is probably less insulated than Treasury against business pressures. In the view of the departing Mr. Weil, the Commerce Department, which under the Administration's plan would also enforce the steel trigger prices, should be more political in dumping and countervailing cases and not let itself get tied into legalistic knots as the Treasury has done.

هكذا من الأصل

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Dare we say it, the destruction of a dividing line between salaries and wages could even mean we would inch further towards a classless society.

In America, where little or no class system exists, 99% of the working population are paid through banks.

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Yet in Britain we still pay 59% of our work force in cash.

Such a high percentage that any changeover would obviously be a long, slow process.

It would need extremely delicate handling and a gradual phasing-in programme, with which we would be pleased to help.

You will also have to discuss the ways to make monthly payments acceptable to employees and Trades Unions.

But this need not be as tricky as it sounds.

In Europe, Trades Unions saw the change as a means of improving the status of their members.

An opportunity to negotiate uniform conditions of service, rather than a threat to established practices.

But we realise we're probably not telling you anything you don't already know.

We would simply like to bring it to the top of your mind the next time you hear the words, "Any other business, Gentlemen?"

BARCLAYS

Official reserves' $300m boost

By Peter Riddell, Economics Correspondent

THE OFFICIAL external reserves for July will be boosted by about $300m because of changes in the basis of valuation fo some of the gold content. The figures are due to be published on Thursday.

This is a result of Britain's participation in the three-month revolving swap facilities of the European Monetary System.

On July 6 the Bank of England deposited a fifth of the gold and U.S. dollar content of the UK's reserves with the European Monetary Co-operation Fund in exchange for European Currency Units, which consist of a basket of EEC currencies on a trade-weighted basis.

About $3.5bn of reserves were deposited of which about $2.5bn was dollars and the balance gold.

The UK values its gold each year on March 31 at 75 per cent of the average market value over a period of three months. The European Monetary Co-operation Fund values at the average market rate over the past six months or the average of the last two working days of the period, whichever is the lower.

The UK basis values gold at $178 an ounce, while the EEC method produces a value of $250 an ounce. The difference between the two methods will show a book gain in the July figures of about $300m.

The official reserves at the end of June were $22.07bn. The published change since will be affected by public-sector foreign currency loans and repayments and net inflows associated with intervention.

The market considers that the underlying inflows during July should have been on a fairly small scale. This is because the Bank of England has mainly confined its intervention to occasional smoothing operations and the strong demand for the pound has been reflected in a sharp rise in the exchange rate.

Bus industry faces licensing shake-up

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

RADICAL PLANS to overhaul the system for licensing bus operations are being prepared by the Department of Transport.

Intended to form part of a *Transport Bill, the scheme* would open to free competition all express, long-distance bus services, as well as coach excursions.

Commuters would also be given more freedom to organise private transport pools, although ordinary "stage carriage" bus services in towns would not be affected by de-licensing.

The bus industry, which is dominated by the state-owned National Bus Company, has not been formally consulted about the proposals, but it is likely to protest vigorously. Consultations are to start later this month and bus operators are discussing how they might fight the plan.

The scheme would mean abolishing or drastically revising the role of the Traffic Commissioners, who have administered the distribution of route licences for bus services for many years. Mr. Norman Fowler, Transport Secretary, believes the commissioners have *allowed established operators to* gain a monopolistic grip on many routes, stifling private enterprise.

Mr. Fowler expects the scheme to create more and better services in poorly served rural areas. National Bus has shown increasing reluctance to operate in these areas, in order to keep within Government financial limits.

Under the present system, established operators, including British Rail, may object to any proposal for a rival bus service on the grounds that there are not sufficient passengers to justify it.

This also applies to tour and excursion services. Cosmos, the package tour company, has sought unsuccessfully for many years to break into the UK bus tour market. Existing tour operators, including National Bus and many private operators, argue that the market is already well served. They also say there are too few hotels and insufficient public demand to accommodate a major new force in the industry.

They believe that more liberal licensing will allow private sector operators to cream off the most profitable routes, forcing established bus companies to withdraw from marginally profitable routes.

"This would mean the destruction of services in rural areas, not their regeneration," one operator said.

Mr. Fowler also plans to legalise the advertising of car and van sharing pools, probably covering vehicles with up to seven or eight seats' capacity. This would be of special interest to commuters. Significant energy gains could result from the scheme.

Mr. Fowler is to visit the U.S. shortly to study the operation of car and van pools.

Victory for motorway objectors

MOTORWAY OBJECTORS gained a major victory yesterday when the Court of Appeal in London quashed an order giving the go-ahead for proposed sections of the M40 and M42 on the outskirts of Birmingham.

Lord Denning, Master of the Rolls, recommended that the public inquiry into the motorway schemes should be re-opened to consider new information resulting from an inquiry closed in 1974.

The delay was preferable to leaving the objectors with a sense of grievance.

"There has been a deplorable loss of confidence in public inquiries," said Lord Denning.

The public considered that the Department of the Environment went to inquiries with minds made up and that the *department's inspector acted as* a rubber stamp. Public feeling was revealed in the way inquiries had been disrupted by protestors.

"Deplorable as these protests are, they show to my mind that this court must do its utmost to see inquiries are conducted fairly," said Lord Denning.

Lord Justice Shaw agreed *with Lord Denning in allowing* an appeal by the objectors against a refusal of a High Court judge in 1977 to quash the Environment Secretary's approval of the schemes.

But the legal battle is not over. Lord Justice Templeman gave a dissenting judgment against the objectors and the Environment Secretary was given leave to challenge yesterday's majority ruling in the House of Lords.

EEC may aid Drax project

BY JOHN LLOYD

THE EUROPEAN Commission may provide up to 50 per cent of the funds for the Drax "B" coal-fired power station, which will cost at least £700m.

Mr. Ottokar Hahn, a senior official in the credit and investments directorate, said yesterday that a proposal had now been drawn up to lend funds for Drax to the UK electricity supply industry. A decision will be made in September.

It is understood that the loan could be as high as 50 per cent of the total cost, or over £350m, making it by far the largest loan to the industry by the commission.

The loan is likely to be channelled through the European Investment Bank, the EEC's long-term financing institution.

Earlier this year, the bank loaned £101m to the Electricity Council for various projects, of which the largest amount — £70m — was for Dinorwic pumped storage station in Snowdonia.

Dinorwic, which will be the largest pumped storage scheme in Europe, has attracted in all £119m of European Investment Bank loans. They are given on favourable terms, about 1 per cent below prevailing rates.

The Drax proposal is linked with a much greater commitment by the commission to encouraging coal production and coal burning, following the Strasbourg summit where the leaders of the Nine pledged a greater use of coal-fired and nuclear energy.

The Electricity Council said last night that no formal approach had yet been made by the commission on the loan, but that it was quite possible funds would be offered for financing the scheme.

The construction of Drax B, near Selby, in North Yorkshire, was brought forward some 18 months by the Government to provide work for the power plant contractors.

Summerland architect cleared

By Colin Amery

THE ARCHITECT who designed the Summerland Leisure Centre in Douglas, Isle of Man, where 50 people died in a fire in 1973, has been cleared of an allegation about his "casual" conduct during the building of the centre.

The Royal Institute of British Architects' disciplinary committee found no substance in the accusation that Mr. James Lomas had a "casual" attitude to the Isle of Man's building by-laws.

Last year, the disciplinary committee of the Architects' Registration Council of the United Kingdom (ARCUK) cleared Mr. Lomas of "disgraceful conduct," but said his attitude to the by-laws was "casual in the extreme."

The RIBA committee made three main points:

● Mr. Lomas did not leave too much of the inquiry into the fire behaviour of the roofing material, Oroglas in the hands of associate architects;

● The phrase "acrylic glazed space," used in a letter from the architect to the borough surveyor, was not intended to mislead the officers of the local *authority*:

● Mr. Lomas's attitude to regulations was not considered by the RIBA to be too casual.

Coal board loaned £34.7m

THE NATIONAL Coal Board yesterday signed a contract with the European Coal and Steel Community for a loan worth £34.7m, the 100th such loan to be granted by the Community to the UK, writes John Lloyd.

The loan will fund over 40 different projects, of which the Selby project in North Yorkshire—to use £4.3m—is the largest.

The loan, as usual in the case of ECSC finance, is offered at about 1 per cent below the prevailing interest rate. The NCB said yesterday that use of ECSC money had saved it £3.75m in the past financial year and would save between 4.5m-£5m in the current one.

Since joining the EEC, the UK coal and steel industries have received £849.5m in direct loans from the ECSC. The contract signed yesterday is the 29th individual loan to the NCB.

Mr. Bryan Canham, the ECSC director responsible for investments, said the Community had about £2.9bn now on loan to member states.

The UK is currently the largest beneficiary, with about 29 per cent of the outstanding loans. West Germany follows with 25 per cent, France with 21 per cent and Italy with 15 per cent. The remaining 10 per cent is shared between Belgium (3.7 per cent), Netherlands (3 per cent), Luxembourg (2 per cent), Denmark (1 per cent) and Ireland (0.02 per cent).

Mr. Canham said that while the NCB could attract loans at similarly favourable rates on the open market, these would be large sums which had to be taken all at once. ECSC loans offered the advantage of being taken up according to the board's cash flow requirements.

Neave estate £58,912 gross

Mr. Airey Neave, aged 63, the Conservative MP killed in a car bomb explosion at the House of Commons on March 30, left £58,912 gross, £55,607 net, in his will published yesterday.

Mr. Neave played a leading role in Mrs. Margaret Thatcher's victory in the Tory leadership contest in 1975.

He left most of his property to his widow, Lady Diana Neave, who was made a life peer in the Queen's Birthday Honours.

Hopes of easier journeys deferred

BY LYNTON McLAIN

COMMUTERS ON British Rail's southern region were warned yesterday to expect continuing problems from the use of ageing trains while a major modernisation programme takes place.

Mr. John Palette, the region's general manager, offered no hope of improvement in some areas until the end of the century.

Mr. Palette issued 250,000 leaflets to explain the problems. He said the move was "neither an apology nor an admission of failure."

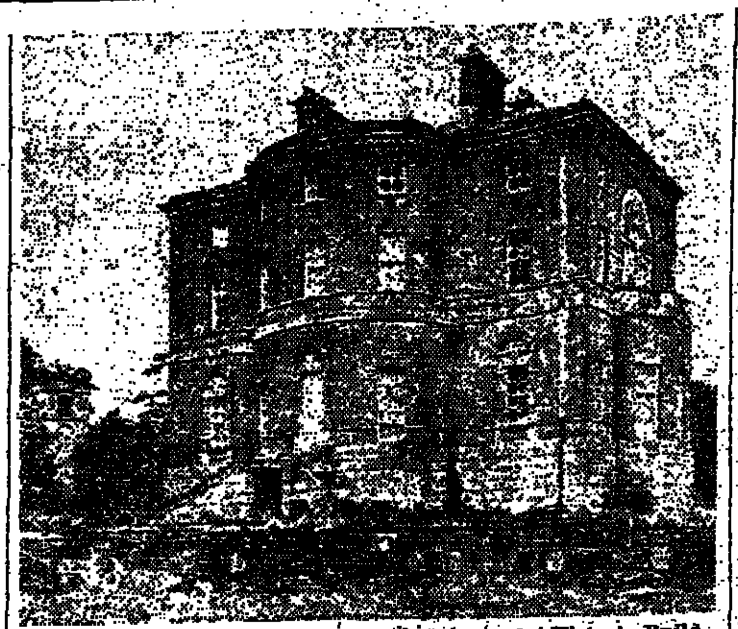
Nevertheless, the British Rail Board said the investment in new trains for London and the south east is now running almost one-third below requirements set five years ago.

The problem of new investment — to the tune of £2bn from 1974 to the end of the century — was identified in the joint London Rail Study published five years ago with the Greater London Council, London Transport, the Environment Department and British Rail.

British Rail plans to build 150 four-car trains at £700,000 apiece each year in the five years to 1982. A further 50 four-car sets —with a 40-year life—are expected to be built each year from 1982.

Also, £76m will be spent to fit new seats, fluorescent lights, improved ceilings, double glazing and new bodies to trains. Over 500 refurbished coaches will go on the Kent coast line.

Sir Peter Parker, chairman of British Rail, says in the annual report that parts of the commuter services are "nothing like satisfactory to us, or our customers."



WEDGWOOD has turned down a grant of £100,000 from the Government to repair Barlaston Hall (above) which stands on the Wedgwood estate in parkland near Stoke-on-Trent, writes Colin Amery.

Barlaston Hall is a Grade I listed building and was occupied until the 1950s. It was built in 1756, with a fine staircase and good plasterwork, and is one of the few remaining houses attributed to Sir Robert Taylor.

It is now likely that the house will become a test case for conservationists. The Historic Buildings Council has publicly expressed its regret that the company has not accepted the offer, despite preparation of plans to turn the house into offices. Lengthy negotiations have taken place over arrangements for public access.

A spokesman for the Wedgwood Board said that the company could not reach agreement with the Historic Buildings Council about conditions attaching to the full plan for the house's future.

There can be no doubt that the house will soon collapse if the Government does not persuade the company to repair it. Permission to demolish it was originally refused Wedgwood after a public inquiry in 1975.

The local authority or the Department of the Environment could serve repair notices on the property, which if not taken up would lead to a compulsory purchase order. The house has suffered considerable neglect and vandalism. The company said that it would cost £500,000 to restore.

One suggested use is as a display area for some of the Wedgwood collection of china during celebrations in 1980 of the 250th anniversary of Josiah Wedgwood, founder of the company.

Heseltine reprieves Liverpool club

BY RHYS DAVID, NORTHERN CORRESPONDENT

MR. MICHAEL HESELTINE, the Environment Secretary, is to make funds available to save the Lyceum Club in Liverpool. The decision yesterday surprised even its most ardent supporters who had expected the 19th century neo-Classical building to be the latest victim of Government spending cuts.

Britain's first public subscription library, the club lies blackened by years of grime in the shadow of British Rail's Central Station and has been under threat from assorted redevelopment schemes since 1971.

Following a major public campaign, Mr. Peter Shore, Mr. Heseltine's predecessor in the last Labour Government, last year told Liverpool City Council not to grant planning permission for the site. Shortly before the election Mr. Shore announced he had started talks with the owners to buy and restore the building.

Mr. Heseltine, announcing his intention to proceed with the plan at a probable cost of more than £1m, said he realised the decision was controversial but even in the present economic climate it had not been a difficult one to take.

"As Secretary of State for the Environment I am responsible for much of our heritage, both that which we hold in trust from past generations and that which we will create to pass on to them," he said.

Mr. Heseltine was in Liverpool to chair a meeting of the inner city partnership committee, one of eight joint local authority-Government teams set up by the Labour Government to find ways of revitalising decaying urban areas.

Following yesterday's meeting Mr. Heseltine said plans were made to draw up a register of sites in excess of one acre. Among these to be looked at are the former Exchange Station site which was due to be redeveloped at a cost of more than £35m—as a major office centre for over 3,000 civil servants. This project has now been affected by the Government's decision to trim drastically the dispersal of civil servants from London.

Mr. Heseltine nevertheless promised continuing strong support for Liverpool. "It is where the most serious and difficult problems were. They are worse here than in any other place in England I have been to," he said.

Dan-Air gains Gatwick to Aberdeen route

By Michael Donne

DAN-AIR, the UK independent airline, has been awarded the licence to fly passengers between London's Gatwick Airport and Aberdeen in place of British Airways.

British Airways will retain its Heathrow - Aberdeen licence, however, and is being urged by the Civil Aviation Authority to build up traffic so that a Shuttle-type service could be introduced in the early 1980s.

The CAA pointed out that when run by British Airways, the Gatwick-Aberdeen route was not profitable. It believed that Dan-Air could make more of a success of it.

As a result of the decision, two airlines will now serve Aberdeen from London—giving the growing traffic on the route a choice of airlines and airports.

British Steel wins £5m plate order

By James McDonald

The British Steel Corporation has won a £5m order to supply steel plate for the biggest platform yet built for the North Sea. The platform will be sited at British Petroleum's Magnus Field.

The plate will be made in the corporation's Scottish division and the 800-ft platform is due to be floated out in 1982. It will stand in more than 600 ft of water—and should begin production in 1983.

This is the fourth major order the corporation has received for steel plate from the offshore energy industry.

Kaiser Aluminium to sell fertilisers

KAISER ALUMINIUM UK yesterday confirmed its intention to enter the fertiliser market. It plans to go for a share of the growing demand for specialty products to suit the needs of individual farmers.

The company, part of Kaiser Aluminum and Chemical Corporation of Oakland, California, is setting up a new UK division, Kaiser Fertilisers, which will develop a 1.5 acre site at Llay near Wrexham in North Wales.

The plant is due to come on stream next January and production is planned to reach 15,000 tons in the first year, rising to 30,000 by 1983. Products will be marketed in an area within 100 miles from Wrexham.

A range of standard and specialised blended fertilisers will be made, with flexibility to enable the plant to meet demands from farmers for "specials" for particular conditions.

Kaiser Fertilisers will also import compound fertilisers according to market requirements.

Basic materials for the Wrexham plant will be obtained from the UK and outside, including the U.S. parent company's agricultural chemicals division.

Kaiser is one of the world's largest aluminium companies with assets of more than $2.6bn (£1.1bn) with diversified interests ranging from agricultural chemicals to real estate.

The Wrexham plant is to be built by Thomas Warrington and Sons and production equipment will be supplied by Merer.

Spain flights face delays

FLIGHTS FROM Heathrow Airport to Northern Spain were delayed for up to five hours yesterday following Sunday's bomb explosions at Spanish airports and railway stations.

Unions 'poisoning' economy —Joseph

BY PHILIP RAWSTORNE

SIR KEITH JOSEPH, Industry Secretary, last night listed sections of the trade union movement among the "six poisons" that were killing the country's prosperity.

The economy was *suffering* from a "politicised trade union movement associated with Luddism," he said. It was also being poisoned by excessive Government spending, high direct taxation, egalitarianism, excessive nationalisation and an anti-enterprise culture.

Sir Keith, speaking in a BBC radio interview, warned that the Government's antidotes were not short-term. "We hope to be able to produce the *first* evidence that we are on the right path within a few years."

The Government had begun to deal with high taxation, excessive Government spending and nationalisation. "Our tax policy can unwind the screws of egalitarianism, but when it comes to tackling the politicised trade union movement and to changing the anti-enterprise culture—these are *very difficult* things to do."

Questioned by Mr. Michael Charlton, Sir Keith said many trade unionists were becoming *aware of the danger of pricing* themselves out of jobs.

He did not believe that trade union members would necessarily follow their leaders. But *there could be a few leaders* who would attempt to defy reality.

"The product of their labour has to appeal to the consumer or else they have to alter their product or the price at which it is offered."

Sir Keith said that, in spite of the preaching of the Labour movement, the interests of workers were no longer in conflict with those of the manager and the owner. Half the shares in the private sector were owned by workers' pension funds. "Whom do the workers injure when they strike?" he asked.

Sir Keith said Britain's recovery would depend on new attitudes towards business. The educational system, the Church, Civil Service and political parties had established an anti-enterprise culture in which business was looked upon as "something faintly discreditable . . . for the tradesmen's entrance."

Support for Meriden rescue plan

By Arthur Smith, Midlands Correspondent

WORKERS AND creditors of the troubled Meriden motor-cycle co-operative gave full support yesterday to the co-operative efforts to find an international motor-cycle firm with which to enter a partnership.

Mr. Geoffrey Robinson, Meriden's chief executive and Labour MP for Coventry N.W., said he had gained unanimous support from the 650 workers for his efforts to find a partner. *Discussions* were continuing with several potential partners, but these had to be treated in confidence.

The workers, returning from holiday, will work a four-day week to prevent a build-up of stocks.

The Government has refused to defer interest payments of £1.2m due at the end of June, but has given the co-operative an unspecified period to find ways of meeting the charge. The interest is owed on the original £4.2m Government loan advanced to form the co-operative.

The nine-man committee, representing Meriden's creditors, met in Coventry yesterday and afterwards issued a statement saying: "We fully support the co-operative in all its endeavours and have agreed to give them a few more weeks."

ANZ bank branches to close

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

AUSTRALIA and New Zealand Banking Group plans to close its two retail branches in the West End of London. The bank hopes to arrange a transfer of all accounts with the branches to one or more of the major clearing banks.

The move is a response to continuing losses from running the West End branches. Mr. Richard C. Wheeler-Bennett, European general manager of ANZ, said yesterday that the *jobs of the 75 people employed* in the West End would be preserved through transfers to the main wholesale banking office in the City which already *employs some 600 people*.

The accounts which, it is hoped, will be transferred to one of the clearing banks are mainly personal.

The West End branches were established to serve visitors to the UK from Australia and New Zealand. In recent years the number of ANZ customers coming to London has made it difficult for the West End retail branches to operate profitably without mechanisation.

ANZ has some 900 retail branches throughout Australia and a further 250 in New Zealand. In 1976 it transferred its domicile from England to Australia.

Small companies in credit plea

THE Association of Independent Businesses has asked the clearing banks to exempt small companies from the credit squeeze, writes Michael Lafferty.

The association states that many small companies still depend on overdraft facilities for what is effectively permanent capital.

"When formulating policies designed to ration credit, we believe it is sensible to exempt the smaller firm. Our recent research suggests that only 13 per cent of total advances go to small firms.

"If small firms are exempted from a credit squeeze, it does not appear that the burden placed upon other sectors of the community would increase to an unbearable extent."

Writing to the chairmen of each of the big banks, Mr. Philip Bayliss, chairman of the association's Economic Committee, suggests that it would suffice for the banks to issue a directive, "giving specific instructions to consider applications from small firms strictly on their own merits, without regard to the general availability of credit."

Russian and Greek icons fetch £74,000

SALEROOM

BY PAMELA JUDGE

RUSSIAN AND Greek icons sold at Christie's yesterday made a total of £73,725.

Artique gave £1,900 for a 19th Century Virgin of the Burning Bush of the Palekh School. A similar work of the Old Testament Trinity went for £1,000 and another of the Resurrection and Descent into Hell fetched £950. Antika, Holland, paid £900 for a Russian 19th Century icon of the Entry into Jerusalem.

At Sotheby's printed books amounted to £39,271 on the first of a two-day sale. Maggs bought the first edition, possibly a second issue, of David Loggan's Cantabrigia Illustrata, circa 1690, for £1,700. Burgess gave £1,600 for a work on navigation by Jan Huygen van Linschoten, Amsterdam 1638. Crossley paid £1,300 for Martin Zeiller's Topographia Galliae, Frankfurt-am-Main 1655-1661.

The late Sue McKechnie's collection of silhouettes fetched £22,593. A Continental buyer was successful at £740 for a work by Walter Jorden of about 1788 showing a young lady in profile, head and shoulders, painted on flat glass.

A slightly larger similar work showing Miss Peninnah Herdsfield went for £880. An oval of 8.2cm by Mrs. Jane Read was bought by a Swiss dealer for £540.

Antiquities, Islamic art and Indian, Tibetan, Nepalese and South-East Asian art fetched £92,695. Two south Italian Greek pottery bell kraters went to Sheppard and Cooper for £540 and £480.

Pot lids, Goss, Fairings and other wares were sold at Sotheby's Belgravia for £11,118. Oliver Sutton gave £650 for a set of 11 Wilkinson First World War Toby jugs each designed by Sir F. Carruthers Gould as caricatures of famous men.

Belfast factory launch delayed

By Elaine Williams

AIWA, the Japanese electronics company, has delayed plans to set up manufacture in Northern Ireland because of difficulty in agreeing acceptable terms with the Department of Industry.

It was hoped that Aiwa would take over the factory which housed Strathearn Audio, the Belfast hi-fi company closed in December when the Government refused to commit any more support funds.

Talks between Aiwa, the Department of Industry and the Northern Ireland Development Agency began last October. Representatives from the company visited the Belfast factory to determine which products in Aiwa's range could be manufactured there.

Aiwa is still hopeful that a "mutually acceptable package" can be worked out with the Department and is hoping to start production in Belfast sometime next year.

The company has no manufacturing facilities outside Japan for its range of high quality cassette decks and amplifiers. A factory in Belfast would be useful if Aiwa wants to increase its sales in Europe.

Affairs at the former Strathearn factory are being rapidly wound up. All the assets—including patents for its loudspeaker and sophisticated direct drive turntable designs—will soon be put up for auction.

It was principally problems in manufacturing these products, which were aimed at the top end of the market, that resulted in the company's failure.

Strathearn was set up in 1973 by the former Northern Ireland Finance Corporation with the aim of providing about 1,500 jobs in a depressed area of West Belfast.

At its peak the company provided just over 300 jobs and cost the taxpayer about £9m. When it seemed as if Strathearn had managed to sort out both its production and management problems, the Government decided that too much money had been spent on the venture and withdrew its support. When the factory closed 180 jobs were lost.

NEWS ANALYSIS—MEDICAL INSURANCE

Blue-collar workers tempted by perks

BY ERIC SHORT

PRIVATE MEDICAL insurance with the company paying the cost is no longer just a perk for executives. The news that the Electrical and Plumbing Trades' Union had negotiated private medical insurance with the Electrical Contractors' Association as part of an overall benefit package shows that a leading trade union is following the path being set by some blue-collar negotiators at plant or workshop level.

The private medical insurance industry is dominated by three major companies, British United Provident Association, Private Patients Plan and Western Provident Association. They all operate on a non-profit making basis, in that there are no equity nor any other type of shareholders. BUPA has about 80 per cent of the market.

Advantages

Private medical treatment offers three advantages compared with the National Health Service. Firstly, it enables patients to bypass NHS queues and receive treatment at a time convenient to themselves and their employers. The fees for a top consultant's services are covered by the insurance.

Secondly, the patient has a private room with all modern conveniences which can assist in speeding recovery so the patient can return to work quickly. Also, once the immediate post-operative period is over—usually 24 hours—the employee can handle certain kinds of work.

Finally, the patient can usually receive visitors at most times of the day. There is less of the institutionalised atmosphere than with the NHS. The insurance can cover not only the employee, but his wife and children as well.

The provision of medical insurance as a general employee benefit has taken off over the past decade because of three factors.

First, white-collar workers have usually been more aware of fringe benefit values in ascertaining the overall remuneration package. As they became more involved in negotiating for that package, they pressed for the inclusion of medical insurance with the company paying most, if not all, contributions.

The series of pay policies under the previous Tory and the last Labour Government served to highlight the importance of negotiating fringe benefits.

Then came the troubles within the NHS itself. The deteriorating service prompted many people to ask what the private medical sector could offer — which was a comprehensive surgical service for about 95 per cent of acute cases.

It could not deal with urgent surgery requiring complex equipment nor cope with chronic or accident cases. However, these are not problem areas in the NHS as much as minor surgical cases.

Parity

The blue-collar worker in his wage negotiations has now lifted his sights beyond the immediate pay packet and is seeking parity with white-collar workers on other benefits, notably pensions.

BUPA and PPP both report that employers are extending their existing schemes to cover all workers. They are talking to trade union negotiators on the merits of a company medical insurance scheme.

Earlier this month shop stewards at Bass Mitchells and Butlers, a subsidiary of the major UK brewers, Bass, negotiated private medical insurance through PPP for 1,300 members, completely ignoring the official policy of its union, the Transport and General Workers' Union.

At the end of 1978, there were 869,000 subscribers in company medical schemes out of a total 1,118,000 medical insurance subscribers. Ten years ago there were 517,000 subscribers out of 831,000. This year growth has accelerated in the wake of the lifting of pay restrictions. The group membership of BUPA over the first half of the year has risen by nearly 40,000 to 557,000.

Lombard Page 12

Ban free smokes, say doctors

BY JAMES McDONALD

A GROUP of 38 family doctors in Bristol has petitioned the W. D. & H. O. Wills tobacco company, demanding an end to the 40-cigarettes a week offered to employees and pensioners.

They give warning that employees who smoke merely their free issue can expect to die nearly five years earlier than non-smokers.

Dr. Dominic Stevens, leading the doctors' team, said yesterday: "Changing the free issue system would be seen as an admission of the damage caused by smoking and might lead to loss of sales and loss of jobs.

"But, in a place the size of Bristol, 500,000 working days a year are lost from illness caused by smoking. This equals 2,000 full-time jobs.

"People say the free issue makes it difficult to give up smoking. We had nine cases of lung cancer last year and that seems a lot. Many Wills' employees are young women who may be encouraged to smoke and may then find it difficult to stop during pregnancy," he said.

Wills is part of Imperial Tobacco, which makes similar cigarette offers to its employees. "Employees do not have to accept the offer and it is not given to employees under 18 years of age," said Wills.

OTHER MEN'S JOBS: CATHEDRAL VERGER — BY ANTHONY MORETON

Black gown but a business collar

MICHAEL HEATHER looks at first glance as though he might be a young middle manager on the way up the company ladder. Dressed in a neatly-pressed grey pinstripe suit, blue shirt and society tie, he appears to belong beside a bank of phones ordering tea forward or complaining about late delivery of steel.

The managerial image is not wholly misplaced: he is responsible for the care and maintenance of a building that is visited by 2,500 to 3,000 people a day. But it is not the usual sort of building and he is not the usual sort of incumbent found in his job. At the age of 37, Michael

The first article of a midweek series on unusual jobs.

Heather has been head verger of Gloucester Cathedral for 12 years.

He believes he is the youngest head verger in the country; certainly, he is the youngest in the Church of England, where vergers tend to occupy the top end of the age scale. The usual public image is of slightly aged, slightly stooped, slightly seedy and utterly careworn men in black gowns.

"I dislike the plastic collar and dandruff appearance that so many of my colleagues present. They don't exactly make you want to come in and enjoy yourself."

"Yet in our cathedrals we have some of the best free shows in the world, the best architecture and the finest English church music to be heard. I want people to feel glad that they have come in and will come back, not necessarily here but to Ely or York or Salisbury."

Mr. Michael Heather, Head Verger of Gloucester Cathedral. *Roger Taylor*

Sacrosanct

Heather's colleagues in the Church of England Guild of Vergers will no doubt be pleased with this magnanimity. Not that he sees much of them. They meet on a Saturday afternoon and in "the season"—from August to May—Saturday afternoons are sacrosanct to him. He would not miss a home match at West Bromwich Albion and he tries to see as many of the away games as possible, too.

"Nothing interferes with my football. I give six and a half days a week to the cathedral but my Saturday afternoons are committed. And that's when they they hold their meetings.

"What's more, they're a tea-and-buns lot and I like a pint after the match."

Heather drives up the motorway with his son, who is aged eight—he has three children—and sometimes one of his colleagues in the cathedral. Bishop John Yates sometimes accompanies him. Heather doesn't mind who it is, only that they see a good game. This has been a good year for him, with the Albion doing so well.

The verger looks after the running of the inside of a cathedral. The overall affairs of the cathedral are the responsibility of the Dean and Chapter: the bishop is only a visitor. The diocese may be his but in the cathedral he is a guest. It is the dean's church and he may do more or less as he likes.

The verger is one of a triumvirate of cathedral officials. While he looks after the inside of the building, the clerk of works superintends the outside and the chapter steward the estates and properties.

The cathedral is open at 7.30 in the morning and closes at 6. It is Michael Heather's responsibility to see that the great doors are opened in time for morning communion and closed in the evening, that the building is kept clean, the money from the collections and the bookstall banked and the burglar alarm in order.

Although there are valuable items in the cathedral, burglaries are not frequent. "We had a burglar about five years ago. The bells went in the police station and they rang me about three in the morning.

"We searched high and low and couldn't find him, so the police brought up the dogs. They sniffed him out—he had rolled himself up in a carpet. He got five years."

To help him, Heather has two part-time vergers, two bedesmen (in effect, odd-job men) and two cleaners. Keeping the cathedral in order is not always easy. "You see, our best days are the wet ones. People tend to come in here when it's raining in larger numbers than when it is fine, so we get more work to do. But I have a good team and we are happy together."

Shop steward

There is no obvious route to becoming a verger. Most have some lay association with their own churches and take up vergering, if that is the word, when they are of, or near, retiring age. Not Michael Heather. It is only the second job he has ever had and the only one he has ever wanted.

"I was active in my church as a youngster—choir boy, chorister, that sort of thing—and then I became a trainee buyer for a wholesale grocer in the town when I left school.

"About the time I was 20 I saw a vacancy advertised in the cathedral for a junior verger. I was already a junior steward —a sidesman—in the cathedral. The then dean, Seiriol Evans, a very far-seeing man, was looking for a third verger and he offered me the post.

"About five years later I was made head verger. I was about 25 at the time."

Heather was not only young for the job but he brought young ideas with him, among them that there was no incompatibility between his work and membership of a trade union. He is now in the white-collar side of the Transport and General Workers' Union and is the shop steward within the cathedral.

He has seen many changes in his 17 years on the staff. "The cathedral is being used much more widely now. When I first came it was like 'All Gas and Gaiters'; now we have music festivals, flower festivals, municipal services, school services. A couple of weeks ago there were 1,800 here from Cheltenham Ladies' College.

"We can get 1,500 in at a squeeze and that really was more than a squeeze. Today, we are moving chairs around the cathedral all the time. This has become much more a living place.

"Then there are more tour parties coming as they realise London, Oxford and Stratford is not the end-all of tourist England. We have had a cathedral here since 1089 and a church on the site since 681. William the Conqueror and Michael Heather might seem an unlikely pair, but in their connection with the great cathedral of Gloucester they have one link which few people can claim to share."

Tomorrow: Tropical fish-breeder

Times improves peace offer

BY ALAN PIKE, LABOUR CORRESPONDENT

TIMES Newspapers management has offered a reinstatement payment of £500 to all full-time regular employees as part of the terms for republication of its newspapers.

The terms will be considered by print unions this week.

The new republication terms were agreed at a meeting on Friday between union leaders and representatives of Times Newspapers and the Thomson Organisation, the Times parent company.

If they prove acceptable to union executives and Times members they will form the basis for republication of The Times, the Sunday Times and the three Times supplements which were suspended by management eight months ago yesterday.

Union leaders are satisfied that the republication terms which their members will now be considering represent a significant improvement in a number of areas on the company's original proposals.

Under the original Times Newspapers proposals all regular staff who had been wholly unemployed since April 24 would have received £200 payments on resumption of publication.

The new plan, as well as offering a £500 payment to each full-time regular employee, also accepts that cases of special hardship will be dealt with separately.

It is agreed that continuity of service, pension and holiday rights of staff who were dismissed after the suspension of publication will be met.

Between reinstatement and the conclusion of new operating agreements staff will receive their old rates plus last year's Newspaper Publishers' Association award, plus 10 per cent.

The 10 per cent is a payment in advance which will be absorbed when new agreements are concluded.

Under its original "minimum practical conditions" for republication, Times Newspapers had sought acceptance of an 80-page Sunday Times. The new agreement provides for up to a 72-page Sunday Times with agreement on an 80-page paper to be concluded "expeditiously and, at the latest, within three months of republication."

The new proposals contain an agreement that there will be no victimisation of any individual by either company or union, and a clause stating that "although it is recognised that there can be no interference with the correct operation of union rules, in any event no manager's livelihood, status or future career will be prejudiced in any way by the union or the company."

It is proposed that manning levels should not be made up "until it is necessary to do so for publication or prepublication and administrative work."

The proposals contain acceptance of a common disputes procedure with a guarantee of continuous production, including the working of overtime at agreed rates.

After reinstatement, management, unions and chapels will enter joint discussions on the introduction of new technology, staffing, hours, holidays, sick... ness and pension provisions and other issues to provide the bas... of new agreements. The proposals contain a full commitment to work all equipment and systems already installed which are necessary for full production from the date of publication.

If there are difficulties be... issue will be determined by a committee of senior... officials and management representatives.

Reinstatement of dismissed employees would take effect from the first Monday after the proposed agreement had been accepted by all unions.

There is a growing feeling that if the proposals win the endorsement of union executives and Times members, the suspended newspapers could appear again early in September.

TV unions recommend settlement

By Our Labour Staff

DETAILS of a proposed settlement for studio staff and electricians working for the 15 independent television companies were notified yesterday to shop stewards in the two unions involved.

Leaders of the Electrical and Plumbing Trades' Union and the National Association of Television Theatrical and Kine Employees have recommended the offer but have not released details until their union members have been consulted.

The largest broadcasting union, the Association of Cinematograph Television and Allied Technicians, which is still in dispute, met the Independent Television Companies' Association yesterday. Neither side commented on progress of the talks.

The association wants a deal estimated to be worth about 25 per cent. The companies have already offered between 9 to 13 per cent.

The ACTT has said it will gradually step up industrial action in blacking out programmes. The union is operating a series of surprise strikes to prevent any companies' attempts to mitigate the effects.

Three-day week at Coles Cranes

COLES CRANES, the major subsidiary of the Acrow engineering group, is to introduce a three-day week next week for 500 of the 2,000 workers at its Sunderland plant.

The 3-day week will affect assembly workers who will work three shifts of 10 hours a week instead of a five-day, 39-hour working week.

The plant is undergoing a £6m modernisation programme and will make about 160 people redundant over the next year in its sheet metal department, which is being closed.

The company said yesterday that sales of cranes were down in both the domestic and foreign markets.

Electrical health scheme widened

BY GARETH GRIFFITHS

THE Electrical Contractors' Association said yesterday that it planned to extend its controversial private health scheme for 40,000 blue-collar members of the Electrical and Plumbing Trades Union to cover 10,000 white-collar members of the union.

Mr. Michael Stothers, the chairman of the association's industrial relations policy committee, said companies were being informed of the extension.

The scheme has run into the strong opposition from other trades unions. The National Union of Public Employees and the Confederation of Health Service Employees have called it a flagrant breach of TUC policy. COHSE is likely to demand strong sanctions against the EPTU.

The British United Provident Association Limited, which will run the scheme, sees it as a major breakthrough, saying it was the first such national agreement covering blue-collar workers. The scheme will start on January 1, 1980, and will offer a diagnostic service and supplementary private medical treatment.

Mr. Stothers said he expected absenteeism, due to illness and waiting lists for treatment, to fall. The cost, expected to add a few pence an hour to the rates charged for electrical work, will be met by a block sum from the association. This is raised by employers' paying a joint benefit stamp, currently costing £9 a week per electrician.

The idea for the scheme originated from a visit to New York last year by Mr. Stothers and Mr. Frank Chapple, the EPTU general secretary, to see how their New York counterparts ran benefit schemes.

Staff who want to opt out of the scheme or are treated in NHS hospitals will receive a grant of £13 a day for the period of their treatment. Favourable terms for BUPA membership covering electricians' families have also been negotiated.

Mr. Stothers said he was not too concerned about adverse reaction from other unions.

BUPA is delighted with the agreement as previous deals have reached down only as far as foremen. This is its first industry-wide deal.

Mr. Roy Clarke, southern England manager, said there was a widespread support among trade unionists for a choice between private health care and the NHS.

Boilermakers claim £100 minimum

BRITAIN'S largest shipbuilding union was yesterday preparing to forward to the Confederation of Shipbuilding and Engineering Unions its claim for a minimum earnings level of £100 a week.

The Amalgamated Society of Boilermakers' executive last week approved the claim, which would take minimum earnings for skilled men from the current £80 a week to £110.

Other grades would receive equivalent increases.

The claim, due from January 1, includes a cut in the working week to bring manual workers in line with staff, two extra days holiday and improved retirement pensions.

But Mr. John Chalmers, the Society's general secretary, said yesterday that the claim did not mean a 37 per cent pay increase.

Almost all craftsmen already earn more than the minimum, with earnings ranging from about £90-£120 a week. Increasing the minimum to £110 would not necessarily involve proportionate increases in earnings. The union calculated the claim at "just a little less than 18 per cent."

Night shift drinking problems

By Arthur Smith, Midlands Correspondent

A SUBSTANTIAL minority of night shift workers in Midlands industry have a drink problem, says Dr. Hugh Norris, director of Birmingham University's Alcoholic Rehabilitation Research Group.

Dr. Norris, who is also chairman of Aquarius, a charity which operates treatment centres for alcoholics in the Midlands, said several big companies had sought guidance in dealing with drink problems.

It was impossible to quantify the problem as little research had been done in the Midlands, but patients at the centres reported heavy drinking by their colleagues.

"From the accounts of people who come to us, the majority of people drink in the pub before they go to work. Quite a number are intoxicated by the time they arrive and may top up with drinks through the night."

Because of the apparent extent of heavy drinking, Dr. Norris said he would be writing to major employers, such as BL, Talbot and the Post Office. Companies would be told of the facilities available.

Stock Exchange action threat

By Our Labour Staff

THE EXECUTIVE of the Banking, Insurance and Finance Union has been asked by its maintenance staff members at the Stock Exchange to sanction industrial action in a pay dispute.

The maintenance staff, who look after air conditioning and some electronic equipment, have been offered a basic raise of 9 per cent, plus consolidation of a London weighting and a new London [illegible] supplement of £121...

APPOINTMENTS

Financial Director

for the Board of a highly successful and publicly quoted company, operating both in the United Kingdom and overseas. The Group, which has an impressive record of profitable growth over recent years, is engaged in the manufacture, distribution and retail of footwear and in engineering. With a current turnover of £70m and backed by substantial resources, the undertaking is poised for a further phase of accelerated development.

- THE TASK is to direct the financial and accounting activities and to share in corporate decision-making.
- THE REQUIREMENT is for a qualified accountant endowed with sound business judgement, administrative expertise and the ability to communicate with people at all levels. Relevant managerial experience at a senior level, desirably acquired in a manufacturing environment, and ability to control the EDP function are essential.
- SALARY is negotiable to interest those already earning not less than £15,000. Ancillary benefits include an annual bonus and a car. Location – an attractive area of the East Midlands. Preferred age – mid-thirties to mid-forties.

Write in complete confidence to Sir Peter Youens as adviser to the Group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET, LONDON W1N 6DJ
and
12 CHARLOTTE SQUARE, EDINBURGH EH2 4DN

Leasing Executive

The Leasing Department of Grindlay Brandts wishes to increase and strengthen its team by recruiting an experienced leasing executive.

Ideally the applicant should have at least three years' practical experience in leasing and industrial hire purchase, preferably in "large ticket" transactions, including customer contact. Probably aged around 30, the man or woman appointed will play a vital role in a programme of expansion over the next few years.

As part of the merchant banking subsidiary of the Grindlays Bank Group, a major international banking organisation represented in 35 countries, we have capacity for obtaining and handling business worldwide. We are also able to offer ambitious people a challenging career in the context of a sophisticated and growing organisation.

Salary will be commensurate with age and experience and our compensation package includes mortgage assistance and non-contributory pension programmes.

Please write with full career details to:–

Grindlay Brandts

R. J. E. Barker,
Grindlays Bank Limited,
36 Fenchurch Street, London EC3P 3AS.

de ZOETE & BEVAN

Offer excellent opportunities and terms in their expanding European Department.

Applicants should have experience in European and UK Bonds and/or Equities and be able to communicate investment suggestions verbally and in writing. Languages an advantage.

Contact: L. H. de Witte,
25 Finsbury Circus, London, EC2M 7EE.
Telephone: 01-588 4141.

FINANCIAL DIRECTOR

c. £14,000 + Car

South East

A large autonomous sub-group of a major British international company, requires a *Chief Financial Officer. Reporting to the Managing Director*, the post has overall central accounting responsibility through his/her own department, as well as, directing the accounting policies and standards of the individual trading units which comprise the sub-group.

Initial objectives will be to review and improve the total information system; develop and strengthen the relationships with line management to achieve a better understanding and use of financial techniques; operate a close and effective liaison with the group's central financial team, covering consolidations, treasury, planning and budgeting; maintain and develop the strength of the experienced and well qualified department, which has been built up over recent years.

This calls for a personable chartered accountant, aged early 30's with a good professional background, followed by several years blue chip experience in industry and commerce. Ideally, this experience should embrace both large and smaller units in the service sector. A detailed understanding of financial control and sophisticated management accounting, is as important as financial and commercial flair.

Benefits include negotiable salary, car, relocation, pension etc. There is some overseas travel.

Candidates, male or female, should send a detailed career history to the consultant advising on this position quoting reference G72IFT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

INSURANCE
MANAGER, ACCOUNTING AND FINANCE
London

Age: 28-40 £12,500 – £15,000 negotiable

Our client, a U.S. company, has established a subsidiary in the U.K. to expand its insurance operations, which were formerly managed on an agency basis.

The Manager, Accounting and Finance will report to the Managing Director of the U.K. company and to the Vice-President/Controller of the U.S. company.

The person appointed will direct the accounting and financial activities of the company including the preparation of financial information, monitoring of accounting and financial *activities under contract and develop systems including computerised systems.*

Candidates must be qualified accountants with sound financial and management accounting experience in an insurance company and some experience in computerised systems.

Please send a comprehensive career résumé, including salary history, quoting ref. 994, to W. L. TAIT

Touche Ross & Co. Management Consultants
4 London Wall Buildings,
London EC2M 5UJ
Tel: 01-588 6644

Trainee Controller c.£5,000

Itek is a major multinational corporation supplying high-technology equipment to the graphic arts and printing worlds.

Right now we are expanding fast into markets this side of the Atlantic. And having just appointed Financial Controllers for our UK and European operations, we're now looking for someone to groom as our Controller of the future. Someone who is ambitious, business-minded and with an accountancy background.

Apart from giving you every help in furthering your studies, we'll aim to give you practical experience across the full range of our financial activities – from bought ledger and payroll systems, through budgetary control to the latest computerised *accounting systems. After that, how far you take your career* depends on you alone. But our opportunities are truly international in scope……

Write with full details to Phillip Rich,
Personnel Manager – Europe,
Itek Graphic Products (UK),
Itek House, Mora Street,
London EC1V 8BT.

Itek

OPPORTUNITY IN MANAGEMENT

If you are between 25 and 35 and already have at least two years of supervisory experience you are probably qualified for a position as management trainee in our company.

We shall train you to become an expert in improving business operations.

Our assignments include manufacturing, administrative, marketing, engineering functions and management and skills training.

You will learn the most modern techniques of planning and co-ordinating work-flows.

For the most dynamic candidates there is the opportunity for a rapid promotion and high earnings.

Fluency in German or French and willingness to travel every week are required.

Please send immediately c.v. mentioning earnings and day-time telephone number (Ref. FT 31/7/79) to

INSIGHT PUBLICATIONS S.A.
BLD DE LA CAMBRE 42 - BTE 13
B - 1050 BRUSSELS - BELGIUM

£6,000 accountancy appointments £9,000

CHIEF ACCOUNTANT

Nr. Croydon, Surrey c. £9,000 + car

A well-known and expanding manufacturing and marketing company (T/O £3m), part of a quoted group of high repute, requires a qualified accountant, aged over 30. Reporting to the Financial Director the appointee will assume overall responsibility for the accounting and administrative functions, adequately supported by an established staff.

In addition to ensuring the timely and meaningful presentation and interpretation of the accounts and management information, he/she will develop financial controls and computerised systems in line with the company's anticipated growth.

As part of a young and progressive management team the Chief Accountant will be expected to participate in policy-making decisions leading to improved profitability.

Applications under Ref. No. RC124, to: Miss Marion Williams, Extel Recruitment, 4 Bouverie Street, London EC4Y 8AB. Tel: 01-353 5272.

Extel Recruitment Executive Selection Consultants

FINANCIAL CONTROLLER

Croydon Area ***C £8,000 & car***

A major scaffolding company based in Croydon is expanding its operations and revising its structure to provide a total financial service to its U.K. operations which has a turnover of £20 million.

As a result, a new post of Financial Controller is being created, reporting direct to the Financial Executive. The position will carry responsibility for all accounting and credit control matters, cash flow and preparation of monthly, quarterly and annual accounts to strict deadlines, aided by three managers and a total staff of twenty-five.

It is intended to fill the position with a Chartered or Certified Accountant with post-qualifying experience in commerce and probably in the age range 35-45.

Salary offered is circa £8,000 and benefits include use of company car, contributory pension scheme and five weeks holiday in 1980.

Applications in writing, with brief curriculum vitae should be addressed to:

The Company Secretary,
Palmers Scaffolding Limited,
Woodside House,
Woodside Green,
London, SE25 5EZ.

PALMERS Scaffolding Limited

A MEMBER OF THE THOMAS TILLING GROUP

Sotheby's

The Group Finance Department has a vacancy for an additional member of the financial management team as a result of the continuing expansion of the Group. Applicants, who will preferably be aged 24-28, will have had at least 2-3 years' corporate finance experience in a leading merchant Bank or commercial enterprise.

Applications, enclosing a full job history, to:
Mrs. S. Chapman, Personnel Manager

Sotheby Parke Bernet & Co.,
34-35 New Bond Street, London W1A 2AA
Telephone: (01) 493 8080

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Ring Peter Abraham on 0682 326800 9 am to 5pm, or 0455 43929 6 pm to 9 pm for further details.

SECURITIES CLERKS with experience are required by Forward Trust Limited for employment at their head office in Birmingham. Applicants, male or female, should be capable of handling an interesting range of charged security items. We offer an progressive career with good salary and fringe benefits. For an application form please ring Mrs. Anne Finney, 021 454 6141 Ext. 247.

TAXATION ACCOUNTANT

Wilkinson Match, a world-wide manufacturing and marketing group, currently require a Taxation Accountant to work at their Group Headquarters near Slough.

Reporting to the Group Taxation Manager, the successful candidate will be primarily responsible for the preparation of taxation provisions for the U.K. subsidiary companies and the submission and agreement of computations with the Inland Revenue. He or she will also be involved in tax planning exercises and there will be opportunities to progress into International Taxation work in the future.

Applications are invited from qualified accountants between 25 and 35, preferably with one year's experience of U.K. Corporate Tax work. Training will be undertaken where necessary and the successful candidate will be encouraged to study for an appropriate qualification in taxation.

Salary to be around £6,000 and benefits are in line with an organisation of this size and reputation.

Please write or telephone for an application form to Miss Judy Elbling, at

Wilkinson Match
Langley Hall, Station Road,
Langley Slough SL3 8B2
Slough (75) 44212

CHIEF ACCOUNTANT

A medium sized group of professional and financial companies urgently requires a capable accountant to take charge of the accounts and financial administration of the group.

The group's activities include estate agency (commercial), equipment leasing, property, corporate finance and insurance broking. New activities are planned.

The successful applicant will take responsibility for a small accounts department and the production of accounts, budgets, cash flows, management information and procedures. It is hoped that he/she will make his/her career with the group.

An excellent salary plus car will be offered to the successful applicant.

Please reply, in the strictest confidence, to:

The Managing Director
London and City Trust Limited
18 Seymour Street
LONDON W.1
or telephone 935 2382

ACCOUNTANT
SALARY £9,000

Ref. L1271 Age c. 30 yrs.

Our Client a major Insurance Company requires a qualified Accountant for their City office. Responsible to the General Manager and with some experience of Life Assurance Accounting. Free B.U.P.A. season ticket loan, subsidised luncheon, and generous contributory pension scheme. Please telephone in confidence:

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Director—I.P.S. Group
(Employment Consultants)
Telephone: 01-481 8111

APPOINTMENTS WANTED

ARABIC/ENGLISH/FRENCH SECRETARY

Egyptian girl, 27 years, B.A. in Sociology, trilingual in Arabic, English and French, seeks a permanent post in UK. Has worked for a U.S. Government research unit and an embassy in Cairo. Currently secretary to British Director of an Anglo-Arab company in Cairo. Sound attitude to business, decisive, pleasant personality.

Replies to Box A.6850, Financial Times, 10, Cannon Street, EC4P 4BY

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 17th July, 1979

Job Title	Salary	Location	Advertiser
Financial Controller	To £8,500 + car	Liverpool	Allan Cameron Associates
Internal Auditor	To £7,500 + car	S.W. London	Allan Cameron Associates
Financial Accounting Assistants	To £7,000	S.W. London	Allan Cameron Associates
Group Financial Accountant	£7,750	Windsor, Berks	Rockware Group
Accountant	$19,500	Bermuda	I.P.S. Group
Assistant Accountant	£7,000+	S.W. London	Drake Personnel
Financial Controller	up to £9,000 + car & fringes	West of London	Philip Egerton & Assocs.
Senior Accountancy Assistant	£5,733-£5,069	Camden	London Borough of Camden
Budget Accountant	£8,500	City	Institute of Chartered Accountants
Financial Analyst	£8,000	London, W.1.	National Freight Corp.
Senior Accountants	£7,290-£8,540	London	Civil Service Commission
Financial Controller	up to £9,000 + 2 litre car	Home Counties	Kearley & Tonge

For the full text of the advertisement please see the F.T. of that date or telephone Sally Stanley on 01-248 5597

هكذا من الأصل

Operations Manager

We are part of a leading Canadian investment bank with 40 offices internationally.

A senior vacancy exists in our London Office for an Operations Manager to take responsibility for:—

- Eurobond settlements and accounting.
- Equity trading administration and settlement.
- Office administration, including statutory accounts.

This is a challenging and varied position, requiring a mature and flexible approach. The successful candidate will be a fully experienced self-starter.

Remuneration will be competitive, and working conditions are excellent.

Please write, enclosing a brief c.v. including current salary, to the Managing Director, marking envelopes "O.M."

All applications will be treated as strictly confidential.

Pitfield Mackay Ross (London) Limited
128-129 Cheapside, London EC2V 6BT.

COMMODITIES WRITER

Another journalist is required for Big Farm Weekly, the young and successful quality tabloid newspaper circulating to farmers at the top end of the farm market.

Internal promotion has created a vacancy for a commodities writer. The position would suit a young journalist with experience of writing for the farming or food industries, and with an interest in livestock marketing.

The job will involve some travel, mainly within the UK, covering auction sales and other events in the livestock and meat industries. However, it is not merely a reporting position. The person appointed will need to help maintain and extend the paper's reputation for identifying and analysing changing trends in the industry.

Salary in accordance with NUJ rates (subject to review), 4 weeks holiday, rising to 5 weeks after 5 years.

Applications to:
Derek Fraser, Editor,
Big Farm Weekly, Thomson Magazines Ltd.,
Northwood House, 93-99 Goswell Road, London EC1V 7QA (01-253 9355)

INVESTMENT ANALYSTS

A leading firm of stockbrokers with a well established institutional equity research base and a substantial position in the Gilt market would like to hear from any young Analysts who may feel that a move to a stronger and more progressive organisation could materially enhance their career prospects. Ability, enthusiasm, commonsense and sound research will be well rewarded through a realistic salary and attractive profit sharing scheme.

We now wish to expand in a number of sectors principally Oils and Banks but also Textiles and Paper and Packaging.

Applicants should submit full c.v. in confidence to:—
Walter Judd Limited (Ref: L224)
(Incorporated Practitioners in Advertising)
1a Bow Lane, London EC4M 9EJ.

Indicating the names of any Companies to whom you do not wish your reply to be sent. If the list indicates the Company involved, your application will be destroyed.

COMPANY NOTICES

EUROPEAN INVESTMENT BANK
LEBANESE POUNDS 50,000,000.—
7½% 1973-1985

Holders of the above mentioned bonds are hereby informed that the [illegible] ... 25th July, 1979, ... As a result of this drawing the [illegible] ... Nr. 22258 to 25647 inclusive. [illegible] ... Luxembourg, July 31st, 1979.

EUROPEAN COAL AND STEEL COMMUNITY
5¾% TWENTY YEAR BONDS OF 1967 DUE 1ST OCTOBER, 1987
The Commission of the European Communities announces that the annual instalment of bonds amounting to US$1,250,000 has been purchased for redemption on 1st October, 1979.
31st July, 1979.

RAND SELECTION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)
NOTICE TO HOLDERS OF U.S. DOLLARS 5% PER CENT CONVERTIBLE LOAN 1988
[illegible] ... ended 31st March, 1979, may be obtained ...
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
40 Holborn Viaduct
London EC1P 1AJ
Registered Office
44 Main Street,
Johannesburg 2001.
30th July 1979.

NOTICE TO NOTEHOLDERS AND/OR BONDHOLDERS OF BARCLAYS BANK INTERNATIONAL LIMITED
U.S.$50,000,000 9¾ PER CENT CAPITAL NOTES 1985
U.S.$50,000,000 9¾ PER CENT CAPITAL BONDS 1987
We hereby give notice that we have appointed Barclays Bank Limited at 54 Lombard Street, London, EC3, as an additional paying agent for each of these issues.
BARCLAYS BANK INTERNATIONAL LIMITED, London
31st July, 1979.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 734 0557.

GARGOYLE, 69, Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW ... [illegible]

LEGAL NOTICES

NOTICE OF MEETING OF CREDITORS
TRIZOTE INVESTMENTS LIMITED
NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a meeting of the creditors of the above-named company will be held at 1, Love Lane, London, E.C.2, on Thursday, the 9th day of August, 1979, at 12 noon, for the purposes mentioned in sections 293, 294 and 295 of the said Act.
Dated this 20th day of July 1979.
By Order of the Board,
M. BUIST, F.C.I.S.
Secretary.
This notice is purely formal.

PERSONAL

Not all today's war veterans are old soldiers

Many of the young servicemen killed in Northern Ireland leave widows and orphans behind. Those who are disabled may never be able to work again. The annual cost of our aid alone cannot pay for their food, fuel and homes. Please send donations to:
THE ROYAL BRITISH LEGION
APPEALS DEPARTMENT
Maidstone, Kent ME20 7NX

PUBLIC NOTICES

CITY OF EDINBURGH
£1.5m bills issued 27th July, 1979, due 26th October, 1979, at a rate of 12¼%. Total applications £9m. Bills outstanding £4.5m.

CITY OF BRISTOL
VARIABLE RATE REDEEMABLE STOCK 1982
The Council of the City of Bristol announces that the half-yearly payment of interest on 1st November, 1979, on the above Stock will be at the rate of £6.91 (less income tax) per £100 of Stock.
30th July, 1979.

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W.1. 01-629 6176. Exhibition of OLD MASTER PAINTINGS. Until 27 July. Mon.-Fri. 9.30-5.30. Thurs. until 7.

BROWSE & DARBY LTD., 19, Cork St., W.1. KEITH GRANT—RECENT PAINTINGS. "A WINTER JOURNEY."

FIELDBORNE GALLERIES, 63, Queens Grove, N.W.8. 586 3600. RODNEY JOSEPH ... [illegible]

FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. SUMMER EXHIBITION AND WORKS UNDER £500.

HAMILTONS, 13, Carlos Place, Nr. ... [illegible] ... ONE HUNDRED BRAZILIAN PRIMITIVE PAINTINGS AND ... Sculptures by ... [illegible] ... Sponsored by the Brazilian Embassy.

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By Order of the Directors of LEYLAND VEHICLES LIMITED, due to the rationalisation of their Manufacturing facilities

Extensive range of Quality Modern Machine Tools
Heat Treatment, Pickling & Degreasing Plant
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To be offered for SALE BY AUCTION in LOTS at THE WORKS on MONDAY, 20th AUGUST 1979, AND DAYS FOLLOWING at TEN A.M. Each Day

Catalogues available at the Works during the View and Sale Weeks.
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Interested principals should contact the Chairman
Box G4036, Financial Times, 10 Cannon Street, EC4P 4BY

WOULD ANYONE WHO REPLIED TO THIS ADVERTISEMENT PREVIOUSLY PLEASE REPLY AGAIN AS THEIR REPLIES HAVE BEEN LOST IN THE POST.

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We are interested in purchasing a freehold or long leasehold property in Central London part of which (up to 2,000 square feet) would become our offices. If you wish to remain in your present building but wish to give up some space and realise some capital we would be pleased to discuss the matter with you. This proposal may be of most interest to solicitors, accountants or similar professions. Strictest confidence observed as sensitivity of this idea is fully realised. Reply to Senior Partner, Box G.4267, Financial Times, 10 Cannon Street, EC4P 4BY.

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Telephone Douglas (0624) 23434. Telex 628241.
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Independent British businessman, making frequent visits to Australia, willing to help companies seeking to establish or improve sales there. Direct representation; appointment and control of agents; liaison with local partners, as appropriate. Payment by results. Wide experience at M.D. level, including operating Australian subsidiary. Write Box G.4269, Financial Times, 10, Cannon Street, EC4P 4BY.

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WITH VARIOUS TRADING PERMITS
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Hotel group of companies requires to borrow over a five-year period up to £500,000 against property value of £1.5m as security. Borrowing at the moment from High Street bankers at high interest rate. Require decision from reputable finance house or insurance company in next 10 days. Will consider any proposition lower than 2½% over bankers base rate. *Replies to Box G4273, Financial Times, 10, Cannon Street, EC4P 4BY.*

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located approximately 4 miles London Airport, owning named products, plus turnover, home and export, considering disposal of equity holding (60%) upon retirement due to age. Progressive company, due to age ... growth potential. Enquiries invited in fullest confidence. Directly principals only. Write Box G.4253, Financial Times, 10, Cannon Street, EC4P 4BY.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMPUTING

Big network by ICL

OFTEN ACCUSED of not having paid sufficient attention to the development of teleprocessing facilities, ICL has nevertheless secured a massive Government contract which will involve a great deal of remote working on behalf of the Department of Health and Social Security.

CAMELOT, for computer aided mechanisation of local office tasks, is the name of a complex of computers and displays that will aid the 70,000 office staff in DHSS to cope with an average of 231,000 new incapacity claims each week as well as some 2½m supplementary benefit cases.

The software development centre at Reading will have twin 2950 machines and so will the pilot centre at Bath, the latter working to five offices. Ultimately 500 offices having 2,500 displays between them will be involved.

No figure for the contract has been released by the Central Computer Agency but it is believed to be worth at least £15m to ICL.

In fact, the final value could be considerably more since the idea is to install the pilot equipment in Bath during 1980, operate it for about a year and then analyse the results before embarking on a national scheme.

ICL won this particular job in competitive tendering for the scheme covering the development centre, the pilot scheme and the five local offices.

Further details on the work from ICL House, Putney, London SW15 1SW. 01-788 7272.

● SHIPBUILDING

Ship for many tasks

FLEXIBILITY is the hallmark of a ship design which is capable of being adapted to carry containers, roll-on roll-off cargo, barges and heavy loads, developed by the Capricorn Corporation of Hong Kong.

This Capricorn carrier concept is being marketed in America and Europe with a view to starting a service between the Mississippi and the Rhine.

The vessel has been under design since 1972 in a number of variations, all of them relatively shallow draft and therefore capable of service at a wide variety of ports.

It is claimed that the design overcomes the weakness of instability in certain sea states of some previous barge or lighter on board ship designs.

Capricorn is based on a series of patented ideas, the most basic of which involves the locking (raising and/or lowering) of barges into the mother ship by means of a floating rather than mechanical lift system. Other patents cover systems for loading and restowing containers on the ship, again without the need for mechanical lifts.

Although Capricorn's naval architect, David J. Seymour of San Francisco, has also developed a range of special barge designs, for a wide variety of cargoes, such as refrigerated goods and tank products, one of Capricorn's chief advantages is its ability to carry conventional barges as are already in use on major inland waterways.

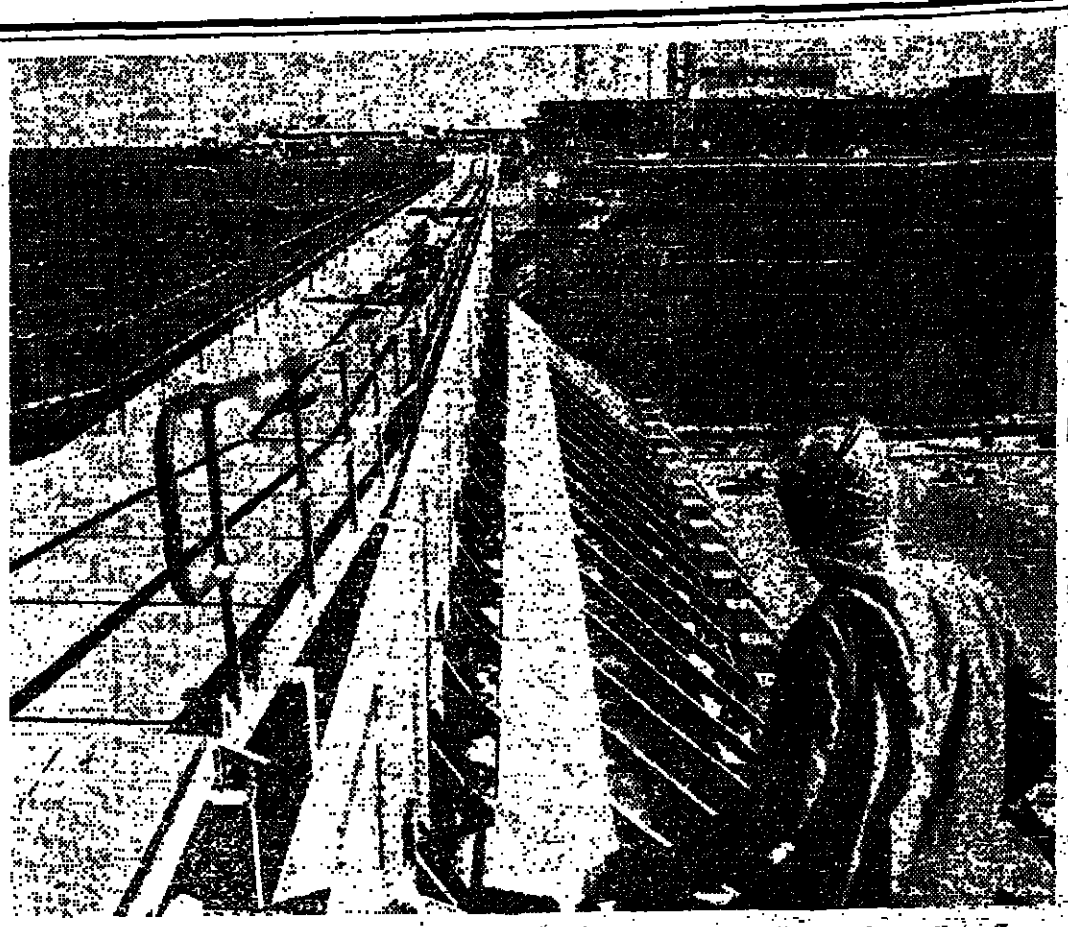
Mr. David Kirby, Capricorn's founder, claims that the system can comfortably handle loads of 2,000 tons, compared with the 500 ton maximum for existing heavy lift ships, dependent upon cranes.

One Capricorn carrier is capable of carrying a maximum of 70 barges, stacked five-deep in its holds although the exact number depends upon the configuration of ro-ro or container capacity.

Further variation on the design is Capricorn's ability to carry a special barge unit which can be fixed alongside the mother ship for use as a loading pier where proper port facilities are lacking.

Further information from Capricorn Corporation, 811 Edinburgh House, Queen's Road, Central Hong Kong.

IAN HARGREAVES



Road surface across the top of three new submersible dry dock gates (one being the largest in the world), part of the recently completed £232m Dubai ship repair facility, has been formed with a 6mm-thick heavy-duty, corrosion resistant epoxy resin safety surface, manufactured and supplied by Roadcoat. The gates, each 15 metres high, form closures for the individual docks and rotate to lie on the sea bed to allow the passage of ships. To protect them a lightweight driving surface with good impact, chemical, corrosion and wear-resistance properties was specified. In addition the coating—subject to complete immersion in salt water—remains totally unaffected by the rapid temperature change from bright sun to cool water. Roadcoat 06284 3040.

● INSTRUMENTS

Controlling the extruders

AMONG THE products that Eurotherm will be introducing at the Kunstoffe 79 exhibition in Dusseldorf (October 10 to 17), aimed at the plastics extrusion and injection moulding markets, will be the Type 103 controller.

This is a two term unit (proportional plus derivative) with light emitting diode indication and with power feedback to ensure a constant power input to the system heaters under conditions of mains voltage variation.

It is claimed that this controller's load matching circuit provides the performance of a full three-term controller in many process situations. A potentiometer is provided on which is set the percentage of power needed to maintain set point. This automatically trims out the proportional band error and the controller will hold set point temperature against "reasonable" changes in the process variables.

The unit has a 48 x 96 mm plug-in format, has two or eight amp triac load switching and can be specified for a wide range of thermocouple or resistance thermometer inputs. Control is in the 0.5 per cent class.

Developed for the control of continuous extrusion processes is the EM-1 Extrusion Master, a microprocessor-based system with one processor per control loop, the whole under the supervision of a supervisory micro. Continuous process control breakdown, which can be disastrous, is thus unlikely.

Although temperature control is the primary application, the control, monitoring and indication of most extrusion line process variables is possible. The operator station displays an analogue of individual loop temperature error and also such parameters as melt temperature and pressure, screw speed and product thickness, on light emitting diode displays.

Also introduced is the 450 range of thyristor drive circuits rated from 8 to 100 amps.

More from the company at Broadwater Trading Estate, Worthing, Sussex (0903 31681).

Indicates unsafe load

APPROACH OF an unsafe loading condition in a fork lift truck is signalled by visual and audible warning in a unit developed by Transducers (CEL).

Transducers are placed so as to measure the turning moment imposed by the load on the fork lift mast: both the load and the centres are sensed. A signal proportional to the total load moment arm is presented to an electronics circuit which warns the driver via indicating lamps and horn.

Simple "once only" tamper proof adjustments are made to set the two alarm trip levels which can be individually set to suit the user's own safety needs.

Various load sensing points may be chosen, and Transducers (CEL) sales staff will advise on the best solution for the make and type of truck.

More from the company at Trafford Road, Reading, RG1

Portable parts tester

CONSISTENTLY REPEATABLE results can be obtained, says Baugh and Weedon, with an eddy current tester it is offering for sorting and testing metallic parts.

Called the A35, the instrument enables materials to be sorted by grade as well as measuring hardness and degree of carburisation, monitoring the depth of case hardening and comparing conductivity.

The instrument is about the size of a pocket calculator and is easy to operate. Application of the probe to the test piece results in readings in digital form on an LCD display and these are compared with readings from a standard test piece.

Test frequencies in the range 100 Hz to 100 kHz (five values) allow the unit to be used in virtually all metals.

It weighs about 1 kg and is operated from rechargeable batteries; there is a built-in mains charger.

More from the company at Widemarsh Street, Hereford, HR4 9EZ (0432 67671).

● CONSTRUCTION

Spoil removed fast from tunnels

AN AIR driven double drum winch system, said to dramatically increase the rate at which spoil can be removed from tunnels, pipe jacks and headings, has been developed by Tunnequip (part of Rees Hough group), Catteshall Wharf, Godalming, Surrey (04868 5641).

The winch is available in a range of capacities from one to five tonnes and operates at a speed of 36 metres a minute, although the rate of pull can be varied by restricting the air speed through control valves.

Smallest winch in the range—the 1 tonne—is about 650 mm wide by 550 mm high by 320 mm deep, and consists of two 250 mm diameter drums each containing 100 metres of nylon rope.

Rope from one drum is attached to the front of the skip with the rope from the second drum attached to the rear of the skip via a return pulley situated at the face of the tunnel either in the shield or at the front of the rail track.

Power comes from a 2 hp radial piston air motor driven through a reduction gearbox with a worm and wheel drive to remove the possibility of any slip when operating on a gradient.

One of a series of mechanised tunnelling and pipe jacking aids developed recently by the Rees Hough group, the Tunnequip double drum winch is said to be the first fully automated skip removal system which also includes a mechanism for returning the empty skip to the face.

Shield franchise signed

DEVELOPER OF the Powervane fully automated tunnel shield system, Marcon International, 129, High Street, Guildford, Surrey, has signed operating franchises with several UK tunnelling contractors, including McNicholas Construction, T. Kilroe and Sons, Lehane, Mackenzie and Shand, and Lilley Construction. A franchise has also been negotiated with a leading pipe jacking contractors, says the company.

● QUALITY CONTROL

Compact universal strain unit

TENSILE, COMPRESSIVE and through-zero tests can be carried out in the same compact working space using a series of universal testing machines put on the market by RDP-Howden, Althorpe Street, Leamington Spa (0926 27782).

The series is based on two standard loading frames, one for loadings to 20 Kilonewtons (kN) and the other for 50 kN. Drive options include hand and fixed or variable speed electric motor, the latter having thyristor control with tachogenerator feedback to maintain a selected straining rate with precision regardless of specimen load over a continuously-variable 200 to 1 speed range. Fast traverse and auto-cycling are also provided on the variable speed models.

Loads are applied via a moving crosshead driven by a single loading screw and are measured electronically by strain gauge load cells. Illuminated push buttons permit immediate selection of four load ranges at unity, half one-fifth and one-tenth of the maximum rating of the load cell.

The operator reads the load from a large circular servo-electronic dial with an effective scale length of 525 mm, fitted with a mechanical drag pointer which retains the maximum value of the load reached during any test. However, a digital indicator can be optionally fitted. Displacement of the crosshead is shown on a separate moving coil meter.

● COMPONENTS

Displays from three sources

SEVERAL new products in liquid crystal and other technologies have been announced recently.

Adco Industrial Components of Chiswick, for example, is offering six-inch liquid crystal characters in three and four digit groups. The technology is dynamic scatter producing pale green numerals against a black background. Operating voltage is 24V dc and the input to the decoder (BCD to seven segment) is TTL and CMOS compatible. These components have been used in conjunction with Evershed and Vignoles, for bus indicators. More on 01-995 8495.

Hamlin Electronics, Diss, Norfolk (0379 4411), has available a new high temperature liquid crystal fluid, type 06, which can be used over the temperature range —10 to +88 deg C. In conjunction with polariser sheet the company can supply, the fluid is well suited to display applications in petrol pumps, marine and avionic systems, car instruments and many other display needs.

From Beckman Instruments comes news of a numeric, seven segment 0.7 inch gas discharge display, designed for multiplex operation in point of sale equipment, instruments and electronic games. Beckman is in Glenrothes, Fife, on 0592 753811.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Christine Moir on the burgeoning career of Graham Ferguson Lacey, whose investment techniques have caught the eye of the City

A parable for our times

THE NAME of one private investor keeps cropping up in stock market conversations these days. "Any announcement about him is immediately broadcast over the PA system in our offices," one admiring stockbroker said recently.

The man is Graham Ferguson Lacey. At the age of 30 he has substantial shareholdings, currently worth £8m in the market, in no fewer than eight public companies (including one in receivership) and in the past 12 months has sold out of a further three.

The extent of his investments can be gauged by the fact that the three holdings were worth £4.9m when they were sold. The disclosed holdings are in addition to active dealings in companies in which he holds less than a 5 per cent stake—the level at which disclosure is required. He also has control of 17 private trading companies, interests in travel and miscellaneous businesses in the U.S. and a £7m property portfolio.

Such an investment portfolio would attract interest if it were carried out by a publicly quoted company or a pension fund. But Mr. Ferguson Lacey operates through a Belfast-registered private company, Birmingham and Midland Counties Trust, which is ultimately controlled by a charitable foundation.

It is not only the size of the portfolio that is arousing city interest; Mr. Ferguson Lacey is no passive investor. When he buys into a company it is usually at the sort of level which carries an invitation to a boardroom seat (though sometimes that has not been forthcoming). And once he is on the board the capital structure, acquisition policy and complete direction of the company have a habit of changing—to the accompaniment of strong share price movements and bid rumours.

The man himself is an enigma. He is clearly an astute share dealer; some of his holdings have been sold within months of acquisition—usually at a comfortable profit. Yet he professes to be concerned about the long term future of the companies in which he invests and in many cases becomes intimately involved in boardroom policy. (He is chairman of four quoted companies.)

He operates with virtually no staff except chauffeurs and secretaries from exquisitely restored premises in a Regency terrace behind Buckingham Palace—relying heavily on Hambros Bank and other outside professional advisers.

His only really close business associate seems to be Mr. Robert Cecil McBride, a wealthy Ulster businessman in his early 70s, who is a devout Presbyterian.

Mr. McBride met Mr. Ferguson Lacey when the latter was in his late teens and has backed him ever since. Where Mr. Ferguson Lacey controls a company Mr. McBride will also be a board member.

Graham Ferguson Lacey—enigmatic evangelical Christian

Between them the two men own Birmingham and Midland Counties Trust. Mr. McBride has 2 per cent, 49 per cent is owned by Mr. Ferguson Lacey and the remaining 49 per cent is controlled by the Cecil Foundation, a charitable trust of which the two men are trustees.

Born again

The common bond is a shared Evangelical Christianity. Brought up in a Plymouth Brethren family, Mr. Ferguson Lacey became what he describes as a "born again" Christian in his teens. He is a part-time preacher. The foundation was set up to carry out charitable works in a broad Christian context, though it also supports humanitarian and educational projects throughout the world. It has, for instance, a 2 per cent interest in the U.S. film, "Born Again," the story of a conversion to Christianity.

Mr. Ferguson Lacey started to make his living in Birmingham in the paint and wallpaper business. At 18 he then went into property development in Northern Ireland with Mr. McBride's backing. Although he got out of property development before the 1974 collapse one of his private companies still controls a £7m portfolio of shops and offices.

In 1975 he picked up the remnants of Christopher Selmes's collapsed empire, Dowgate and General, through a Belfast company called Suregain.

That £1m deal brought him a mixed bag of investments. They included Lockwood Blagdon and Crawshaw, a quarrying company which produced profits of £200,000 before it was later sold to Pilkington Bros. for £1m; £20m of tax losses: Grendon Trust; and the name Birmingham and Midland Counties Trust. In addition there was a 29 per cent stake in William Reed, the textile group, in the D and G balance sheet at a cost of 25½p a share.

BIRMINGHAM & MIDLAND COUNTIES TRUST

NOTIFIABLE SHAREHOLDINGS 1978/9

Company	% stake	Av. purchase price	Mkt. price 26.7.79	Position
Rivington Reed	Ord. 20 Pref. 15	bulk at 29p	23p 77p	chairman
Habit Precision Engineering	51 (sold June '79)	20p	28p	ex-chairman
Arbuthnot Latham	14.1	121p	165p	none
David Dixon	29.99	94p	162p	none
McNeil Group	23	in receivership		ex-chairman
Edinburgh & Gen. Inv. Trust	29.9	16p	28p	chairman
Hamilborne	52	24p	37p	chairman
Weston-Evans	42 (but see text)	100p (see text)	165p (peak during bid)	
Brooke Tool Engineering	25.08 (sold July '79)	53½p	47p	none
National Carbonising	27.05	38p	69p	chairman
Bernard Wardle	27	21p	30p	none

Early in March, 1976, Suregain, now renamed BMCT, increased its stake in William Reed to just over 40 per cent and made a bid for the company at 33p despite resistance from the board. In the event BMCT ended up with 66.6 per cent of the company, which was making profits of £326,000 on turnover of £4m.

Boardroom changes followed. In came Dr. John Blackburn of Carrington Viyella fame as chief executive. BMCT began to dilute its stake—partly by selling 9.5 per cent to Dr. Blackburn, partly by market placings.

William Reed embarked on a major acquisition programme. It bought the Rivington carpet division of Bond Worth from the receivers. It took over Barwick Carpets of Bolton from the troubled U.S. parent, E. T. Barwick (Mr. Ferguson Lacey at one stage considered buying the parent for BMCT but ultimately backed away from its problems). It also bought two loss-makers — Robert Farnsworth, a knitted fabric maker, and William Uttley, which makes men's shirtings and suitings.

Some of the acquisitions involved an exchange of shares and BMCT's stake was thereby diluted. By August last year BMCT held 40 per cent which it halved by a placing with institutions at 87½p.

By 1978 turnover had hit £12.8m and profits were £1.1m. A convertible preference rights issue was made with the conversion rights exercisable at 70p. But, as it transpired, shares and profits had hit their peak. In March this year, while turnover doubled again to £23.2m, profits collapsed back to £351,000 pretax and attributable losses were £1m, the result of closing Farnsworth and parts of William Uttley.

At the annual meeting a fortnight ago there was more bad news. Barwick was also to be closed and Uttley—described only a month previously as on the way back to profitability—had a "for sale" notice pinned to it. Mr. Ferguson Lacey, as chairman, told shareholders there was to be no interim dividend and a final only if trading warranted it.

Needless to say, the shares had been tumbling at this spate of bad news and after the meeting stood at only 29p.

The rise and fall of Rivington Reed (as it is now called) under Mr. Ferguson Lacey has alarmed the city, which was already concerned about his ill-fated attempt to take over and restore the ailing Belfast construction group, McNeil. In that instance—only a few months before Reed started to go wrong—he attempted to stave off receivership but ultimately lost his own £¾m investment.

More recently, Edinburgh and General Investment Trust, an insurance group of which he became chairman in December, announced in one breath losses for the calendar year, a £¼m rights issue and a proposal to buy Mr. Ferguson Lacey's private insurance broking business. The terms of the purchase are favourable to Edinburgh and the losses appear to stem from stricter accounting but Edinburgh still warrants a question mark.

Question marks also continue to hang over Mr. Ferguson Lacey's motives and aspirations with Weston-Evans, the engineering company in which he acquired a 26 per cent stake in a package from Barrow Hepburn, at 100p per share, a total of £1.6m.

That was in April last year. In July, having raised the stake to around 30 per cent, BMCT bid 124½p for the remainder. The Board sought another bidder in the form of Johnson Firth Brown which offered a package worth 155p. By then BMCT held 42 per cent and with that muscle Mr. Ferguson Lacey rejected JFB's offer as inadequate. JFB already had control but it was forced to up its offer by 7p or so to buy out BMCT which then accepted the offer and sold out for a profit of £1.33m in October.

Mr. Ferguson Lacey explained at the time that his offer for Weston Evans came about as a defence against an opportunistic bid from outside. He had never wanted control but intended to build the company up from an undervalued base. Similar intentions with other companies—he hoped, for instance, to merge Brooke Tool and Habit Precision Engineering—have also been thwarted, leaving him no option but to sell out, he says.

The problem from the outside is trying to assess whether his remaining investment (and any future ones) will be split among institutions or end in the market, or whether they will be long term; and if the latter, there is still the question of whether his long term involvement will be to the company's good.

Mr. Ferguson Lacey is given to talking in terms of the parable of the talents. He firmly believes that he can offer certain companies the benefit of his financial acumen in the search for a capital base on which to expand.

However, it is difficult, on his track record, so far to see whether his intervention will be any more profitable long term than that of "company doctors" who have preceded him and who, in many cases, also once held strategic stakes in the same companies.

Another difficulty is in pinpointing his aims. Less than a year ago he talked of aiding manufacturing companies which were well managed but naive in financial terms, in particular inherently sound companies suffering from the misfortunes of recessionary industries.

He described his focus as plastics, textiles and engineering companies together with insurance and energy investments to proof BMCT against inflation.

Acumen

The engineering companies have gone. The expansion of Rivington Reed into a textile empire has turned to contraction. His most recent purchase, 14 per cent of Arbuthnot Latham, one of the accepting houses, does not seem a company prima facie in need of financial acumen.

That leaves two textile companies: Hamilborne, a virtual cash shell; Edinburgh, the insurance group; and National Carbonising, in the energy field, where he became chairman last week.

If a pattern can be said to be emerging, Mr. Ferguson Lacey seems to be leaving the traditional manufacturing areas and entering the field of the high growth stocks—in services and energy.

To date his performance has been enviable, his methods and dealings frank and open. Now the question remains whether he will extricate himself from his remaining manufacturing interests without personal financial loss or upset to the company. And whether he can continue to keep all those Indian clubs in the air at once.

Initiatives aim at raising quality of product design

TWO NEW initiatives to promote the quality of engineering products in industry have been taken by the Cranfield Institute of Technology, which already trains more engineering designers than any other establishment in Britain.

One of the new units is effectively a product design consultancy, while the other will concentrate on the training, retraining and career planning of design engineers. The design consultancy will be in direct competition with the highly successful Patscentre (PA Technology and Science Centre), a subsidiary of PA management consultancy which has helped many companies design new products and processes.

The main target area of the new Cranfield Product Engineering Centre (CPEC) will be small and medium-sized firms, few of which can afford in-house facilities of the sophistication offered by CPEC: one of the centre's main assets will be its extensive computer-aided design equipment.

CPEC has been established with the financial backing of the Department of Industry, but aims to be completely self-supporting, operating on a strictly commercial basis.

Its director, John Wesley, has had a lengthy industrial career, in sectors ranging from aerospace control systems to hydraulic equipment and machine tools. His team will include not only design, development and industrial engineers, but also marketing personnel, so as to provide a full, market-orientated innovation service.

The second initiative, with the confusingly similar title of Centre of Engineering Design, will perform a very different, though complementary series of functions.

Under David Farrar, formerly with the British Aircraft Corporation and several other companies—including (as engineering director) the highly design-minded Molins machinery company—the Centre's immediate objective is to increase co-ordination between Cranfield's many existing design courses and activities.

In close co-operation with industry, it will also promote the establishment of more cross-faculty courses, to give engineers the greater breadth of training now felt necessary for many jobs. One such course, on pump design and technology, was established recently, bridging several faculties at the Institute, as well as Cranfield's School of Management.

Thrust

An allied thrust of the Centre's activities will be the co-operative establishment of courses to "upskill" trained engineers in new techniques. There is thought to be a considerable latent demand for this type of retraining, with microelectronics only one of the fields where technology has moved rapidly forward.

Like other engineers with top industrial experience, Mr. Farrar is concerned that engineers should not only be well trained, but also well used within the companies for which they work. With this in mind, the Centre is ready to co-operate with industry in planning the recruitment and career development of graduates.

Cranfield Institute of Technology, Cranfield, Bedford MK43 0AL. Tel. 0234 750111. Telex 825072.

Christopher Lorenz

Business books

Law for the Small Businessman by Patricia E. Clayton. Marchmont Publications, £6.95. This is described as a "how to" rather than a "do-it-yourself" book, which means that it aims to explain how a small business should be kept going and how it can avoid legal pitfalls. It does not outline how a businessman can himself sort out legal obstacles, rather, it points out exactly when expert opinion should be sought.

Your Business Problems Solved by Paul Jenner. David and Charles. £5.95. Another publication aimed primarily at the small businessman, providing guidance, for example, on where to get advice, how to raise capital, how to draw up contracts, and even how to avoid bankruptcy. In some instances it uses a practical question and answer technique to explain particular points. It embraces finance, law, takeover techniques and disputes procedures.

LOMBARD

Public medicine is a bargain

BY ANATOLE KALETSKY

THE HOWLS of indignation from union leaders about the private health insurance scheme arranged for Mr. Frank Chapple's electricians are unlikely to make much impression on the Government, which is at present studying the possibilities of increasing the role of insurance in Britain's medical financing. The National Health Service unions' position is particularly muddled. On the one hand they accuse Mr. Chapple of undermining the NHS and endangering their members' jobs. On the other hand they claim that "if all TUC unions did the same for their 11m members, the queues for private treatment would be just as long as for the health service."

In fact, if millions of workers were provided with medical insurance, there would be more, and better, paid jobs for health service workers. Hospitals would be characterised not by queues but by Rolls-Royces belonging to consultants and Britain's spending on medicine would soar, which is the best reason for opposing the Government's inclination towards replacing the NHS with insurance-backed private medicine.

An incentive

The insurance mechanism produces incentives to reduce costs only if the premiums are set by selective underwriting and if the underwriting criteria are within the insured's control. In theory incentives could be provided if insurers discriminated against groups that placed themselves at risk, such as smokers and gluttons.

In any case, as in America, a large proportion of people would be insured by their employers under group schemes specifically designed to eliminate individual underwriting. Premiums would, incidentally, be very much higher than under current British health insurance schemes, because the NHS now effectively underwrites the cost of visiting a GP, which is not covered by most schemes, and also the risk of catastrophe and non-renewal.

People have a natural tendency to buy as much medicine as they can afford, which may be far more than they need. When they are forced to buy insurance, this tendency is compounded by what is euphemistically called "moral hazard"—the insured's desire to recoup his premium by making claims. The market system may not be the best way of allocating medicine because, as citizens, consumers regard it as their right, while as consumers, they know next to nothing about what they require. The fact that doctors have a monopoly of knowledge about consumers' needs can further increase the demand for medicine.

In Britain excess demand for medicine is controlled administratively, by queues. In most other countries demand is constrained by price. The consequence is that health spending per head is 60 per cent higher in Germany and 132 per cent higher in America than it is in Britain. These countries also have far more doctors per head, but Britain's life expectancy and infant mortality are nevertheless better.

In fact the cost and inefficiency of a universal health insurance system would be so great that no Government could consider changing to it, especially since the ultimate fiscal result would be simply to replace a slice of income-tax with what would effectively be a poll tax, independent of income, of at least £150 for each man, woman and child.

A more realistic option would be a two-tier system in which the lower tier, which would be financed by taxation or compulsory insurance would be substantially inferior to the present NHS, while the upper tier would provide people with the choice of spending money on first class medicine on "other things." This is roughly the system in America, where health spending is nonetheless the highest in the world, because the over-medication of the rich more than compensates for the neglect of the poor.

Not surprisingly some of the most vociferous supporters of an extension of health insurance are to be found in the British Medical Association.

The unions may still oppose private medicine on moral grounds. But if they suspect that the Government will introduce a two-tier health system by stealth, they should stop complaining about jobs and try instead to impress upon employers that unions will force them to foot the bill for private medicine if the NHS continues to deteriorate, just as Mr. Chapple has done. And the further the NHS deteriorates, the more expensive private medicine will become.

Flurry of activity in the video market

FILM AND VIDEO

BY JOHN CHITTOCK

AFTER THE excitement over videocassette recorders—now an almost booming consumer product—a development that most of this industry has been anxiously awaiting is at last appearing round the corner. Not a technological or price breakthrough, but simply a solution to a chicken-and-egg problem — programmes. Although most owners of videocassette recorders use them principally to tape television programmes, a significant market for pre-recorded programmes has existed but has remained largely unsatisfied.

New business

The interest in pre-recorded videocassettes has been established beyond doubt in the U.S. and Japan, where video recorder sales have led the world. Companies such as Magnetic Video Corporation (now owned by 20th Century Fox, Fotomat and VidAmerica have been enjoying a good start in this new business in the U.S. —mostly selling (but a few also renting out) videocassettes of popular movies, classic feature films, hobby and do-it-yourself programmes and sporting material. Magnetic Video is reported to be spending $1m in a forthcoming U.S. advertising drive, with cassette output by end year expected to double to 30,000 copies per month.

Until recently, the market for programmes in the UK has been too small to generate much investment. With possibly only 160,000 machines in Britain forecast — the programme market has so far attracted only the smaller specialist companies such as Intervision and VCL, while big names such as IPC and EMI have made only token forays into video distribution. Meanwhile, retail outlets have been minimal.

Change in this UK situation is now imminent. Granada TV Rental is about to make pre-recorded videocassettes available through 33 of its 445 showrooms as a pilot marketing exercise—following a limited experiment by Radio Rentals, which has been offering IPC's narrow range of hobby and leisure interest cassettes.

The Granada venture will make available initially some 51 titles, qualitatively if not quantitatively the most important range yet offered to UK video-cassette owners. It includes films such as "Henry V," "The Lavender Hill Mob," "Bugsy Malone," "The Ipcress File," and "Far from the Madding Crowd." Until now, the market leader has been Intervision, which still carries more titles than any other distributor, but with a list dominated by adult movies and pop music.

Later this week, the U.S. company Magnetic Video will be announcing its own plans for the UK market where it has just established a London operation. The initial launch will feature 27 films, including "The Sound of Music," "Soldier Blue," "M.A.S.H."

Other British companies are flexing their muscles, such as film distributors Brent Walker —which has caused a stir in the Wardour Street ring by announcing the release of a new feature film simultaneously in cinemas and on videocassettes. This is the Joan Collins movie "The Bitch," which will be offered on cassettes with its equally provocative predecessor, "The Stud." Promotional material for these two videocassettes underlines the market trend in its headline: "Give Your Dad Joan Collins for Christmas."

Adult movies lead the American video market, and a survey just published by Time Magazine indicates that 53 per cent of all pre-recorded programmes purchased by users carried X certificates. This report based on 775 returns to a mailed questionnaire, puts an end to another uncertainty about video programme habits: most users had already seen the movies which they purchased on videocassettes. Within the industry, an argument has been smouldering—especially in regard to video discs—about repeatability. Who, it was asked, wants to buy a video disc to view more than once? Well, 31 per cent of the classic films bought by users in the Time survey had been seen already before purchase—and 49 per cent in the case of X-rated films. The moral is that both sex and culture never tire.

Price is still an obstacle, with good quality feature films hovering around the £40 mark. Granada's experiment will involve some shops renting out videocassettes at £5 for the first day and £3 for subsequent days. This could well become the pattern for the future—at least in the domestic market—until the arrival of the much cheaper video disc.

There is possibly a danger that expectations of the pre-recorded videocassette business have been distorted by the immature state of this new industry. With quality films in short supply, due to protracted problems in clearing rights and royalty agreements, early sales have been most successful where material can be offered to markets hungry for anything. Apart from adult movies, this has meant a thriving export business to Middle East countries where any kind of TV entertainment from the West may be regarded as better than none at all.

In London's hi-fi land, the Tottenham Court Road, most of the business in videocassette programme sales is export. In-store franchises operated there by Hi-Fi Care report Arab customers spending up to £800 a time on programmes, and the company's new Video Shop which specialises in pre-recorded cassettes even lists six Arabic movies in its catalogue.

There is not much experience to draw upon from retail outlets outside London, and mail order looks like becoming a major method of renting and selling, as is happening in the U.S. Another cautious UK experiment will start in October when booksellers W. H. Smith make videocassettes available through 20 selected shops. A few record shops and TV retailers are also entering the business with point-of-sale displays.

At last, some of the major television producers are being attracted to this new market—such as ABC in the U.S., which has recently established a video operation; and Granada Television in Britain, which will be making some of its material available very soon. Even Playboy Magazine is preparing a videogram version called Electronic Playboy for release in the U.S. next year, encouraged no doubt by the rising business in sex shows.

Transferability

Home movie making might eventually become the biggest market for the videocassette industry, following the pattern of Super 8mm film. In the Time magazine survey, 64 per cent of respondents wanted to transfer their existing home movies from film on to videocassettes, and 10 per cent already say they are collecting programmes shot with a home video camera.

Testing this market soon in the UK will be Radio Rentals, which is going to offer video cameras on hire through its 500 shops. The do-it-yourself recording capability of the videocassette machine must remain its most attractive feature for the consumer. When feature films become available on video discs at one quarter the cost of tape—the ratio now prevailing in America where both are on sale—we may see the two technologies separate into different kinds of markets. For some people trying to sort out the confusions of this complicated industry, that may turn out to be quite a relief.

Oldstock ready for Spillers

RACING

BY DOMINIC WIGAN

THE SPILLERS Stewards Cup at Goodwood is the most popular and one of the most hotly contested, sprint handicaps of the season. Although there is no animal of genuine class in this afternoon's line-up, such as Home Guard, who failed by a head to concede 38 lbs to Alphadamus in 1973, the excitement of this annual cavalry charge will remain.

It is perhaps contradictory to suggest that the race will be won by a three-year-old carrying 9 st 6 lbs. However, I believe that Oldstock, a bay colt by Sovereign Path, will land the prize. Trained locally at Pulborough, by Guy Harwood, he is well drawn, as is the Wokingham Stakes winner, Lord Rochford, who constitutes an obvious danger.

Although it is the Spillers Stewards Cup with its open betting that will entice holiday makers from the South Coast beaches, connoisseurs of racing will be more interested in the two group races on the programme. These are the Molecomb Stakes for two-year-old fillies (3.45) and the Gordon Stakes (4.00) for three-year-olds.

The first of these will, I believe, be won by Claerwen, a filly by Habat out of the 1,000 Guineas winner, Caergwrle, trained by Jeremy Tree for Lady Murless. Claerwen, after winning at Newbury last month, was touched off by the smart Durandel at the Newmarket July meeting but this downhill course will suit her ideally.

The result of the Gordon Stakes hinges on whether Mortlight has recaptured the form that led to his 9 st 7 lb rating in the official handicap for two-year-olds of 1978. If he has—and reports from Berkshire are encouraging—he will win. If he has not, or is in need of a race, Golden River will take the advantage. He failed by only a length to concede 30 lbs to Born To Reason at Newbury ten days ago after three months' absence from a racecourse.

Piggott, who rides Claerwen in the Molecomb Stakes, partners Known Fact, also for Tree, in the New Ham Stakes (5.00). This gives him good prospects of a double. Indeed, it is conceivable that the ex-champion jockey could land a treble if he wins the Tapestry Handicap (2.15) on Strathspey.

GOODWOOD

2.15—Strathspey
2.45—Claerwen**
3.25—Oldstock*
4.00—More Light
4.30—Iron Lad
5.00—Known Fact**

REDCAR

3.30—Masters
4.35—Hedge School

TV Radio

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.35 Roobarb. 9.40 Jackanory. 9.55 C.B. Bears. 10.15 Why Don't You . . . ? 10.40 The Flashing Blade. 1.15 pm News. 1.30 Bagtime. 2.00 Glorious Goodwood. 4.18 Regional News for England (except London). 4.20 Play School (As BBC-2 11.00 am). 4.45 Hunter's Gold. 5.10 Young Explorers. 5.35 Captain Pugwash. 5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide. 6.55 Dad's Army (London and South-East only). 7.25 Centennial. 9.00 News. 9.25 The Transplanted Self. 10.20 Play for Today: "Licking Hitler." by David Hare. 11.20 El Molo. 11.50 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 6.55-7.25 Dad's Army. 11.50 News and Weather for Scotland.

Wales—4.45 pm Crystal Tipps and Alistair. 4.50-5.10 Mae Gen I Stori. 5.55-6.20 Wales Today. 6.55-7.25 Heddiw. 11.50 News and Weather for Wales.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.55-7.25 Starring Terri Stevens. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South-West (Plymouth). 6.55-7.25 East (Norwich) Soccer—Just the Job; Midlands (Birmingham) Much Ado About Shakespeare; North (Leeds) Mr. Smith Steps Out; North-East (Newcastle) Looks Natural; North-West (Manchester) The Time, The Place And The Music; South (Southampton) Hey Look . . . That's Me; South-West (Plymouth) Day Out; West (Bristol) Flying High.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
4.50 pm Open University.
6.55 What's Your Poison?
7.20 Mid-evening News.
7.20 Stars In Full Daylight.
7.40 Sandor Vegh Masterclass.
8.10 Brass Tacks.
9.00 Rhoda.
9.25 The Mayor of Casterbridge.
10.20 Portrait: Angela Rippon painted by Paul Wyeth.
10.45 Beethoven. Ghost Trio. Op 70 No. 1.
11.15 Late News.
11.30 Closedown reading.

LONDON

9.30 am Naturally Scottish. 9.45 Writers' Workshop. 10.05 Farmhouse Kitchen. 10.30 Felix the Cat. 10.35 To the Wild Country. 11.45 Mystery Island. 12.00 Paperplay. 12.10 pm Stepping Stones. 12.30 Emmerdale Farm. 1.00 News, plus FT index. 1.20 Thames News. 1.30 Crown Court. 2.00 The National Gallery. 2.25 Racing from Redcar. 3.50 The Entertainers. 4.20 Runaround. 4.45 Secret Diaries. 5.15 Sam.
5.45 News.
6.00 Thames News.
6.05 Monty's Louder
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 Thunderbird.
8.00 The Streets of San Francisco.
9.00 Love Among the Artists.
10.00 News.
10.30 Camera.
11.00 Appointment With Fear: "The Curse of the Mummy's Tomb."
12.25 am Closer: Actor Hugh Morton reads from Brother Roger of Taize.

All IBA Regions as London except at the following times:

ANGLIA

10.30 am Rocket Robin Hood. 11.00 Kids at Play. 11.25 Solo One. 11.50 Cartoon Time. 1.25 pm Anglia News. 3.50 Cabbages and Kings. 5.15 The Squirrels. 6.00 About Anglia. 7.30 This England. 8.00 Have Girls, Will Travel. 11.00 Inside Business. 11.30 Sidestreet. 12.30 am Themes.

ATV

10.30 am Morning Cinema: "Bridal Path," starring Bill Travers and George Cole. 1.20 pm ATV Newsdesk. 3.50 Stars on Ice. 5.15 Dynomutt. 6.00 ATV Today. 7.30 This England. 8.00 Mind Your Language. 8.30 Get Some In. 11.00 Origins of the Mafia.

BORDER

10.30 am Morning Cinema "The Mudlark." 1.20 pm Border News. 3.50 Untamed World. 5.15 The Squirrels. 6.00 Lookaround Tuesday. 7.30 This England. 8.00 Fantasy Island. 11.00 The Human Face of China. 11.30 Sidestreet. 12.30 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News and What's On Where. 3.50 The Electric Theatre Show. 5.15 Stars on Ice. 6.00 Report at Six. 8.00 B.J. and the Bear. 10.28 Channel Late News. 11.00 Golf: Colgate World Mixed Golf Championships. 12.00 George Hamilton IV. 12.25 am Visages de France.

GRAMPIAN

9.25 am First Thing. 10.30 The Coral World. 11.30 Spiderman. 1.20 pm Grampian News Headlines. 3.50 Stars on Ice. 5.15 The Squirrels. 6.00 Grampian Today. 6.05 The Electric Theatre Show. 11.00 Reflections. 11.05 Power Without Glory. 12.00 Grampian Late Night Headlines.

GRANADA

10.30 am Sesame Street. 11.25 The Beachcombers. 11.50 Look at Life. 1.20 pm Dick Tracy. 3.50 The Amazing World of Kreskin. 5.10 Felix the Cat. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Cabbages and Kings. 7.30 This England. 8.00 The Love Boat. 11.00 The Late Night Movie: "Force Five."

HTV

10.30 am "The Adventures of Tom Sawyer." 1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 3.50 Stars On Ice. 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The Squirrels. 7.30 This England. 8.00 Lucan. 11.00 The Human Face of China. 11.30 Fireside Theatre.

HTV Cymru/Wales—As HTV general service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30 Byw. 11.45 12.45 am Fireside Theatre.

HTV West—As HTV general service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 10.30 Morning Movie: "Crest of the Wave," starring Gene Kelly. 1.20 pm North East News and Lookaround. 3.50 Time to Spare. 5.15 Mork and Mindy. 6.00 Northern Life. 7.30 This England. 8.00 Hawaii Five-O. 11.00 Check It Out. 11.30 Mannix. 12.25 am Epilogue.

ULSTER

10.30 am Tuesday Morning Movie: "Munster Go Home." 1.20 pm Lunchtime. 3.50 Stars On Ice. 4.18 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Ulster Television News. 6.15 Milestones. 6.30 The Best Disco in Town. 7.30 This England. 8.00 The New Avengers. 11.00 The Outsiders. 12.00 Bedtime.

WESTWARD

10.30 am Sesame Street. 11.30 Call It Macaroni. 1.20 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Stars on Ice. 6.00 Westward Diary. 8.00 B.J. and the Bear. 10.28 Westward Late News. 11.00 Golf: Colgate World Mixed Golf Championship. 12.00 George Hamilton IV. 12.25 am Faith for Life. 12.30 West Country Weather, Shipping Forecast.

YORKSHIRE

10.30 am Mumbly. 10.45 Beachcombers. 11.10 Five Weeks in a Balloon. 1.20 pm Calendar News. 3.50 Cabbages and Kings. 5.15 The Squirrels. 6.00 Calendar (Emley Moor and Belmont eds). 7.30 This England. 8.00 Lucan. 11.00 The Human Face of China. 11.30 Sidestreet.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m
2	693kHz/433m 909kHz/330m & 88-91vhf stereo
3	1215kHz/247m & 90-92.5vhf stereo
4	200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf

Capital Radio: 1548kHz, 194m & 95.8vhf

London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 6.00 Andy Peebles. 9.00 Peter Powell. 11.00 Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Tony Blackburn. 4.31 Kid Jensen. 7.00 Personal Call. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Tony Brandon (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.15 David Hamilton (S) including Racing from Godwood. 4.15 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 John Dunn (S). 6.45 Sports Desk. 7.02 On the Third Beat (S). 7.30 Sports Desk. 7.33 Folk 79 (S). 8.02 Helsinki Greets London (S). 9.02 Among Your Souvenirs (S). 9.55 Sports Desk. 10.02 Variety Club. 11.02 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music with Jan Leeming (S).

RADIO 3

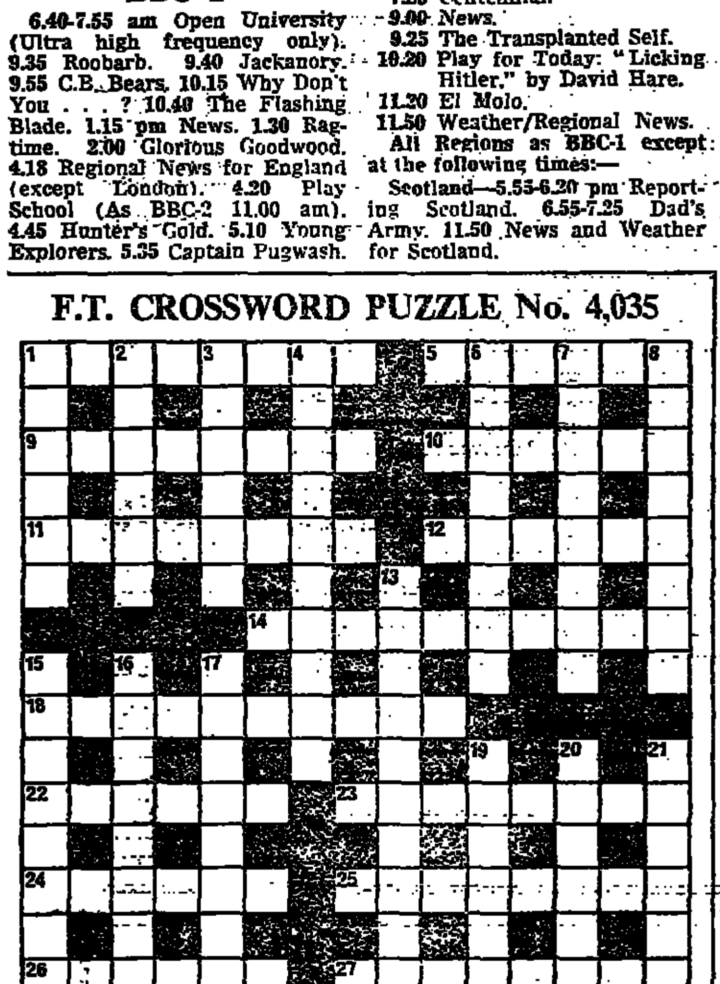
‡6.55 am Weather. 7.00 News. 7.05 Overture, part 1 (S). 8.00 News. 8.05 Overture, part 2 (S). 9.00 News. 9.05 This Week's Composer: Busoni (S). 10.00 Scarlatti, Mozart and Haydn (S). 10.30 Music for Organ adn Brass (S). 11.30 Solo Cello (S). 12.15 pm Lunchtime Prom, part 1 (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Lunchtime Prom, part 2 (S). 2.05 In Partnership. 2.50 Respighi (S). 3.45 20th-century Piano Music Recital, part 1 (S). 4.15 Interval Reading. 4.20 Recital, part 2. 4.55 Jazz Today (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home. 7.10 Pied Piper (S). 7.30 Proms 79, part 1: Mozart (S). 8.10 Words, Words, Words, with Ian McKellen (S). 8.30 Proms 79, part 2: Lutoslawski, Brahms (S). 9.35 Alfred Deller (died 16.7.79) (S). 10.00 He Never Went to China (portrait of poet and translator Arthur Waley). 11.00 Ravel and Liszt, piano recital (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines, 7.45 Thought for the Day. 8.45 The Young Visitors, by Daisy Ashford. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-minute Theatre. 11.30 Letter from Tibet. 11.45 Listen With Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather; programme news. 1.00 The World at One. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Conversation Piece. 3.35 A Dance to the Music of Time (s). 4.30 Announcements. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 The Six O'clock News. 6.30 Quote . . . Unquote (s). 7.00 News. 7.05 The Archers. 7.20 Whatever Happened to Scripture? 8.05 Something Appealing, Something Appalling. 8.45 Science Now. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Lines from My Grandfather's Forehead. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 "Peer Gynt," on records. 12.00 News.

F.T. CROSSWORD PUZZLE No. 4,035



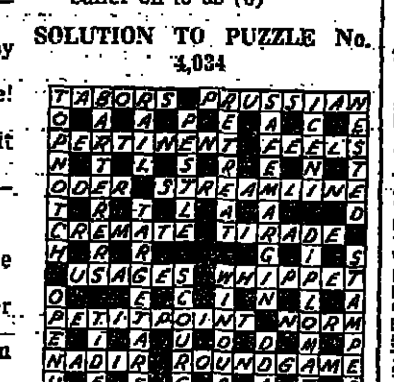
ACROSS

1 Racecourse voices approval for a bowler (8)
5 In the island terriers are covered by the gun (6)
9 Honours paid to those who have left, if last comes first (8)
10 Church assistant who is allowed one fault (6)
11 He has more insight than the players (8)
12 Russian spirit makes an excellent chaser (3, 3)
14 Stern in the second conclusion (3, 4-3)
18 Unfit depression belonging to the Royal Horse Guards (2, 3, 5)
22 "My name is —; on the Grampian hills" (Home) (6)
23 Get fifty in to contend—that's perfect (8)
24 Unusual octave produced by a bird (6)
25 Bacchus had a meal—free! (8)
26 Troubles can be stowed in it (3-3)
27 Pansy wants love-in first—there's nothing doing (8)

DOWN

1 Scrap starts up with the waiter (6)
2 River students discover birds (6)
3 A little fellow goes to town (6)
4 Where spinsters wind up with dull books (2, 3, 5)
6 Criminal perch for neutrals (3, 5)
7 Sailor gets round Jules, one who has a drink at Lords (8)
8 Ye modern mixture is useless as a cure (2, 6)
13 Strong—like a seaman presumably (4-6)
15 Once taken by lovers, now by spacemen (4, 4)
16 Parliament not upset after atmospheric disturbance (8)
17 President washed up on time (2, 6)
19 We must have a little philosophy in the dry world (6)
20 Symbol of authority includes a measure of potential danger (6)
21 Ancient Greek puts a footballer on to us (6)

SOLUTION TO PUZZLE No. 4,034



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit Cards, 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA. [illegible] opens Mon. Aug. 6 at 7.30: The [illegible]gold. Tues. Aug. 7 at 5.30: The [illegible]rie. Thurs Aug 9 at 5.30: Siegfried. [illegible]ug 11 at 4.30: Twilight of the Gods. [illegible] booking for September.

COVENT GARDEN. CC. 01-240 1066. (Gardencharge Credit Cards 01-836 6903) 23 July-4 August MARTHA GRAHAM DANCE COMPANY [illegible]

GLYNDEBOURNE. 0273 812411-813424. [illegible]

ROYAL FESTIVAL HALL. 01-928 3191. [illegible] GALA BALLET SEASON [illegible]

SADLER'S WELLS THEATRE, Rosebery Ave., EC1. 837 1672. Aug. 17-18. DANCE THEATRE OF HARLEM [illegible]

THEATRES

ADELPHI THEATRE. 01-836 7611. Evenings at 7.30. [illegible] Thurs. at 3.00. Sats. 4.00. JOHN INMAN in [illegible] GLORIOUS FARCE." Daily Tel. CHARLEY'S AUNT "Thoroughly enjoyable." Sun. Tel. [illegible]ughs flow freely." N. of World.

ALBERY. From 8.30 am incl. Suns. 836 [illegible] CC bookings 836 1071-3. Evgs. [illegible] Thurs. and Sat. 4.30 and 8.00. A THOUSAND TIMES WELCOME IS LIONEL BART'S OLIVER "MIRACULOUS MUSICAL." Financial Times. With ROY DOTRICE GILLIAN BURNS, MARGARET BURTON [illegible] rates and student stand-by avail.

ALDWYCH. CC. 836 6404. Info. 836 [illegible] Fully air-conditioned. ROYAL SHAKESPEARE COMPANY in repertoire [illegible]

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DRURY LANE. CC. 01-836 8108. Opens 25th September. Previews from September 21 CAROL CHANNING in HELLO DOLLY! with Eddie Bracken Box Office Now Open.

FORTUNE. 836 2238. Evgs. 8.00. Mats. Thurs. 3.00. Saturdays 5.00 and 8.00. AGATHA CHRISTIE'S MURDER AT THE VICARAGE FIFTH GREAT YEAR.

GARRICK. CC. 01-836 4601. Evgs. 8.00. (sharp). Wed. 3.00. Sat. 5.30 and 8.30. GARETH HUNT in IRA LEVIN'S DEATH TRAP "BEST THRILLER." Dly. Telegraph. "VERY INGENIOUS. VERY FUNNY. VERY EXCITING." Fin. Times.

GLOBE THEATRE. CC. 01-437 1592. Mon. to Fri. Evs. 8.00. Mats. Wed. 3.00. Saturdays 5.00 and 8.30. ANTON RODGERS GEMMA CRAVEN DIANE LANGTON ANDREW C. WADSWORTH DAVID HEALY in SONGBOOK A new musical by MONTY NORMAN and JULIAN MORE. "This stunning occasion . . . the best British musical of this year and a few years gone." F. Times. "Extremely funny . . . received with delight." E. Standard. "Brilliant cast." E. News. "Happy celebration of fifty tuneful years." D. Tel.

GREENWICH THEATRE. CC. 01-858 7755. Evenings at 8.00 (sharp). Mat. Sat. 2.30. "Pirandello's great play." Ev. Std. SIX CHARACTERS IN SEARCH OF AN AUTHOR. [illegible] S. Tel. Tickets from £1.80. MUST END AUG. 4.

HAYMARKET. CC. 01-930 9832. Evenings 8.00. Wed. 2.30. Sat. 4.30 and 8.00. KEITH MICHELL SUSAN HAMPSHIRE in THE SHERLOCK HOLMES MYSTERY THE CRUCIFER OF BLOOD by PAUL GIOVANNI "The kind of spectacle I cannot recall since boyhood . . . terrific stuff." News.

HER MAJESTY'S. CC. 01-930 6606. Evenings 8.00. Fri. Sat. 5.15 and 8.45. AIN'T MISBEHAVIN' The New Fats Waller Musical Show. "A RIOTOUS HIT." Daily Mail. "JUBILANT. THE BEST PERFORMANCE OF ANY KIND IN LONDON." Obs.

KING'S HEAD. 01-226 1916. Dnr. 7.30. Show 8.30. FIFTY WORDS. BITS OF LENNY BRUCE. "Certain acts are just sheer brilliance." Time Out.

LYRIC THEATRE. CC. 01-437 3686. Opens Tonight at 7.00. Subs. eves. at 8.00. Mats. Wed. & Sat. 3.00. JESSICA TANDY HUME CRONYN in the 1978 Pulitzer Prize play THE GIN GAME. Directed by MIKE NICHOLS. From Broadway. Limited Season. "EXTREMELY FUNNY." New Yorker.

MAYFAIR. 01-629 3036. Evenings 8.00. Sat. 5.00 and 8.45. A DAY IN HOLLYWOOD A NIGHT IN THE UKRAINE A MUSICAL REVUE [illegible]

[illegible]

THEATRES

ROYAL COURT THEATRE. [illegible]

ROYALTY. [illegible]

SAVOY THEATRE. [illegible]

ST. GEORGE'S. [illegible]

ST. MARTIN'S. [illegible]

STRAND. [illegible]

TALK OF THE TOWN. [illegible]

VAUDEVILLE. [illegible]

VICTORIA PALACE. [illegible]

WAREHOUSE. [illegible]

WESTMINSTER. [illegible]

WHITEHALL. [illegible]

WINDMILL. [illegible]

WYNDHAM'S. [illegible]

YOUNG VIC. [illegible]

CINEMAS

[illegible]

THE ARTS

New York City Opera

Miss Havisham's Fire

by ANDREW PORTER

Dominic Argento's fourth full-length opera, *Miss Havisham's Fire*, was commissioned by the New York City Opera (the 34-year-old company's 17th world premiere and 13th commission) and was originally intended for Beverly Sills, though in the event its title role was divided between Rita Shane, in its main incarnation, and Gianna Rolandi as the young Miss Havisham on her wedding day. The story, of course, is from *Great Expectations*, but the artful libretto, by John Olon-Scrymgeour, is, rather, a fantasia with flashbacks. It is not Pip's tale but, in the words of the subtitle, "An Investigation into the Unusual and Violent Death of Aurelia Havisham . . . in the Year 1860." The framework is an inquest in Satis House. The testimony there given, dramatised, provides the action of the opera.

The opera grew, backwards, from a half-hour soprano scena, *Miss Havisham's Wedding Night*, originally intended as a companion work to Argento's monodrama for baritone or tenor *A Water Bird Talk*—based on Chekov's *Lecture on Tobacco*, and probably Argento's best dramatic piece. Miss Havisham's scena ends the opera, and Rita Shane gives a virtuoso performance of it. She is accurate, powerful, resourceful, and vivid, as she is throughout the evening. But this extended "epilogue"—the longest mad scene in all opera—fits awkwardly with the rest. Detached, it could be a vivid piece of music-theatre for the concert platform.

The work is easy and attractive to listen to. The easiest way of describing the music, which is tonal and tuneful, is to say that it often recalls Britten's. The spiteful Sarah Pocket is a new Mrs. Sedley. Nanny Broome (a newly invented character) sings "Orlick, we've come to take you home" to a familiar phrase. The textures of the *Grimes* mad scene—the pedal points, the unaccompanied fragments, the bitonal oppositions — are frequently brought to mind. Argento's lines sing well. He uses offstage choruses skilfully to provide colour, atmosphere, and emotional scene-setting. For a recurrent refrain on "Old Clem" he has found a catchy, memorable, and eloquent tune. The ball at which Estella and Bentley Drummle meet is a bright kaleidoscope of dance music cunningly used. *Miss Havisham's Fire* is a lyrical, generous, able, and successful opera.

And yet! Some episodes go so much deeper than the rest that one tends to be dissatisfied with passages that show mere ability, even rare ability. Dickens demands much, for *Great Expectations* is a beautiful and moral book. In an opera there might not be room for his passionate indictment of a society where "justice" is brought with money, where the rich may waste in an hour what the poor labour a year to earn, where the powerful and greedy flourish while poverty drives their victims to crime—though New York needs such an opera. There might not be room for Dickens's elaborate ironies. The ladylike Estella is the daughter of a convict and a murderess; Pip, so ambitious to be a gentleman, becomes one only when he abandons his pretensions—but Argento's opera ignores that; and all the good characters, and all the comedy, are omitted.

Still, in a drama focussed on Miss Havisham, Pip and Estella there should have been room *to sound more fully the central theme of the novel*: the self-knowledge, understanding of others, and compassion that come, eventually, even to those three selfish, self-absorbed people. It sounds in one aria for Miss Havisham, "I see you in a looking-glass." An underlying, limpid diatonicism reflects her return to sanity; each change of harmony reflects a new effort at understanding what she has done; sudden flights of coloratura disturb her mind again. When we return, after this moving and profound episode, to conventional theatrical effectiveness and finally to a picturesquely mad Miss Havisham there is a sense of loss. In Verdi's phrases, what could have been "an opera with meaning" becomes "an opera of arias, ariettas and ensembles," a striking entertainment.

Perhaps I am being unfair. I saw the work twice, and heard far more in it the second time. And in memory the moving parts of the opera seem to grow. In Argento's previous full-length opera, *The Voyage of Edgar Allan Poe*, a stronger, stranger fancy was at work, but *Miss Havisham* is more skilfully made. In *A Water Bird Talk* there is a still happier match of form and content, of matter and means. But I hope *Miss Havisham's Fire* is revived. It showed the company at strength. Miss Rolandi was bright in a joyful, impetuous aria reminiscent of Jenifer's in *The Midsummer Marriage*. Robert Sapolsky as the boy Pip, and Alan Titus as the young man, and Susanne Marsee as Estella were altogether admirable. The large cast was almost without weakness. There were strokes of high imagination in H. Wesley Balk's staging and John Conklin's designs. Julius Rudel conducted an expert *performance*.

Robert Sapolsky and Rita Shane

Het Loo, The Netherlands

Back to baroque glory

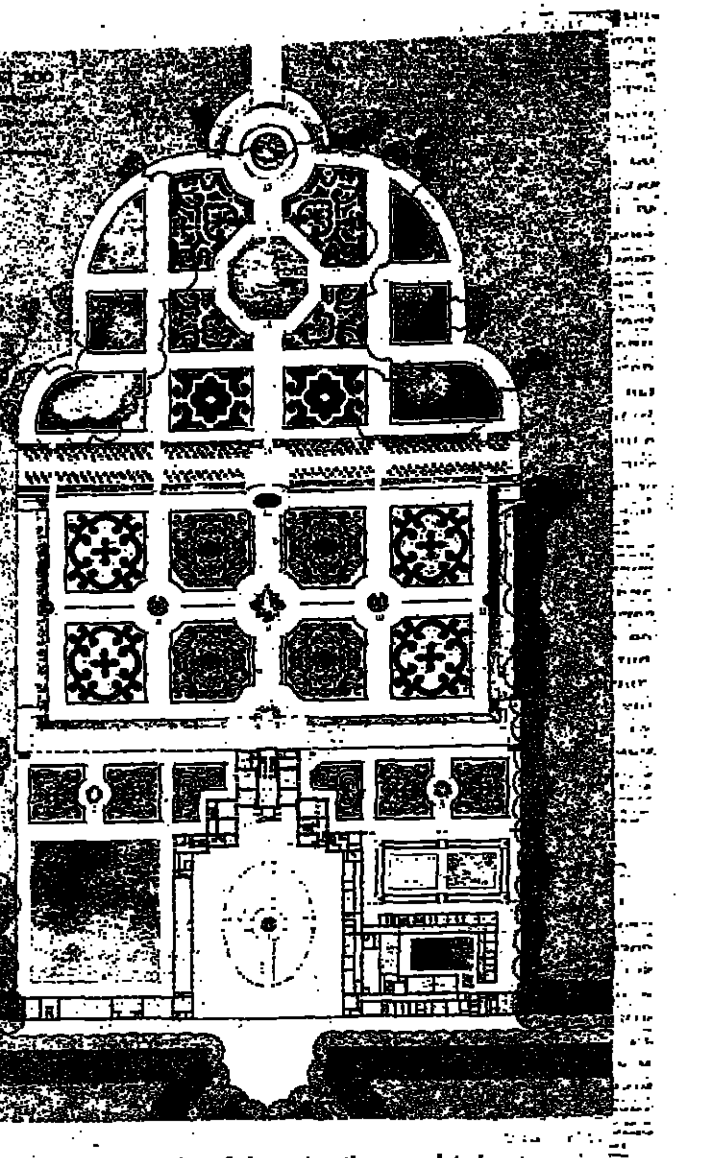
by ROY STRONG

The Dutch owe an extraordinary debt of gratitude to one Walter Harris, MD, Physician in Ordinary to His Majesty and Fellow of the Royal College of Physicians. The Majesty in question was William III and the debt takes the form of a minute description of the palace and gardens of the king's Guelderland palace of Het Loo, published in 1699. The account was written at the behest of Queen Mary and took him five years of constant revision. As a doctor and an exponent of 17th century science, his approach was empirical, being constantly enlarged and corrected by "walking over the gardens." Just how exact has been proved when, 300 years later, the Dutch Government assigned some 70m guilders to restore Het Loo to its vanished baroque glory. When Dr. Harris writes that he took 36 steps he meant it, as counting up those steps and wielding the archaeologists's *spade has proved*. And all of this adds up to what must be the most exciting restoration project taking place in Western Europe at the moment.

What exactly was Het Loo? So that he could build a hunting lodge near Apeldoorn, William III bought the castle of Het Loo in 1684, four years before he became *King of England*. *Jacob* Roman and, above all, Daniel Marot were employed to construct a magnificent country house and garden. Marot, whose impact on the development of the baroque interior in England's palaces and great houses is now being recognised as seminal, designed the luxurious state apartments and the elaborate gardens, intertwining the two by bringing nature into the palace in the form of an abundance of *trompe l'oeil* landscape and sky, fruits and flowers. The *garden, in particular*, was regarded as spectacular with elaborate parterres, cascades and fountains, its labyrinths, arbours and vistas in false perspective, all epitomising a style *which was the transmutation of* the French manner into something that can only be categorised as distinctly Dutch. And all this was recorded in detailed engravings. By the 1960s, however, this had long since vanished, apart from the odd re-sited urn or statue, or the occasional avenue and the palace *itself* looked 19th century, besides being in serious need of structural repair. For the unimaginative the project to rediscover Dr. Harris's Het Loo must have seemed an act of misguided historical zeal and a wanton misuse of public funds.

Nothing like this can be paralleled in England, for what *one* is witnessing is the restoration of a baroque palace in its entirety back to its heyday. I have personally never seen anything quite like it before. There are, of course, the palaces outside Leningrad, Peterhof or Pavlovsk, which were rebuilt from their charred ruins after the last war. Dresden is perhaps another case in point. Even closer may be Williamsburg, Virginia, with its elaborately researched and restored colonial houses. But again, not quite. In all, Het Loo more than any of these poses problems and possibilities which our own historic buildings section of the Department of the Environment and the National Trust *would do* well to consider in depth.

Let me start with the garden. This, designed by Marot, must have been, along with the same designer's Hampton Court, one of his supreme achievements. *In the early 19th century it was* swept away or rather covered over, for the main sunken garden was filled up. In its stead there was planted one in the classic English landscape style, beautiful but totally inappro*priate to a baroque palace. Not* all of these vanished gardens are, however, to be put back, but the main sections in proximity to the façade. Even then, one can imagine the screams *of anguish that must* have accompanied the felling of each ancient tree in order to clear the site. The perverseness of conservationists over trees when it is intended to replant and recreate takes some beating as we see *time* and time again in England; it wrecked, for example, the National Trust's attempt to put back the 17th-century garden at Ham. Well, at Het Loo they have got most of them down and garden achaeology is in full swing. This in itself seems utterly alien to our way of recreating an his*toric garden. We seem instead* to prefer pastiche and compromise to getting out our shovels and discovering what was there. At Het Loo teams of young voluntary archaeologists each summer excavate and uncover *the lost garden. An aerial photo*graph shows the results: retaining walls, fountain basins, steps, paths and canals *seem* to erupt *from* the earth. These discoveries provide all the exact details that are needed for the *architect and builders to put* back the garden as it was in 1699. The step which leads from terrace to parterre tells one everything that is needed to build the remainder. The bowls of the basins of the two *great* cascades reveal patterns in pebbles. Each square foot is carefully charted so that the coloured earths and gravels that make up the patterns between the scrolls of box in the embroidered parterres can be *exactly matched*.



Architect's plan of the restoration completed

The richness of possibility all this suggests in relation to English palaces and houses is, of course, enormous and it is one that we shall have to come to terms with. Uncovering an early garden is just as exciting as any other dig. Under the sweeping lawns of Durham and Chatsworth must lie the skeleton of two of our greatest vanished triumphs of baroque gardening. One day we may even have a government with the imagination to instigate the same policy towards Hampton Court, that pathetic shadow of vanished magnificence. When Het Loo opens in 1983 it is inevitable that sooner or later pressure *will* build up to put back Marot's masterpiece in this country.

No less thought provoking, I might add, is the interior of the palace. Bravely the 19th century layers have been *peeled away* (again not without controversy). Under layer after layer of paint, grime and arbitrary panelling over, there remain the original *trompe l'oeil* ceilings and walls plus the astounding marbling and graining that covered every section of door moulding or wainscotting. As a mine of information on 17th century interior decoration techniques it could hardly be richer and its relationship to potentialities in respect of the dowdy interior of Hampton Court raises tantalising possibilities.

There is, however, one major flaw. In 1795 the Dutch royal *collections were sold* and, unlike the French, they were not marked, so the present whereabouts and identity of the pieces can never be discovered. There is, therefore, no way round this problem other than the one that they have taken: to use appropriate pieces from the Dutch royal collections and to purchase. It is sad that our friend Dr. Harris was not allowed to lavish as much time on describing the details of the interior. *If he had the Dutch* would today be indebted even more than they already are to this particular Royal Physician in Ordinary.

Radio 3

Bush's 'Joe Hill'

by DAVID MURRAY

In the history of the American labour movement the Swedish immigrant who was known as "Joe Hill" holds a revered place. A member of the Industrial Workers of the World, the so-called Wobblies, he was a tireless organiser in the South-West, with a knack for turning out militant ballads. He became a popular martyr when he was convicted on a murder charge in Utah, just before the Great War, and executed by firing squad in 1915. All this makes him a natural subject for an Alan Bush opera; and *Joe Hill: The Man Who Never Died* had its first hearing in this country on Sunday, by courtesy of the BBC.

The opera suffers from text trouble, intensified rather than concealed in this radio version. Barrie Stavis's libretto is simple hagiography, rendering Hill's victimisation in purest black and white—but in terms of agit-prop "documentary," such as naturalistic American acting can endow with a semblance of gritty life. The translation into operatic recitative is fatal, and to a North American ear the would-be American accents of the BBC cast were an affliction, patchily Deep South and Wild West. Disbelief was compounded by the hundreds of false accentuations written into the music. Nor is the story well told: Hill's saintliness is taken on trust (though Bush awards him a *regular glow of strings* like Christ in Bach's *St. Matthew*), and the first act merely sketches his entrapment, while the awkwardly longer second act plods through the villainous legal railroading to the statutory death-cell scene and optimistic final chorus.

Though Bush's music belongs to an age represented now chiefly in film scores, it has its own amiable character. It rises to some robust popular fervour, with injections of Joe Hill songs which have a resonance for faithful adherents to the cause; stirring declarations get end-title music, and machinators are exposed by discordant muted brass. There is a good deal of very English sentimental reflection in the score, often accompanying a quite different sort of discourse. The sung rhetoric is merely pinned on to its orchestral support, though there is a winsome domestic duet for Hill and his lady love (a fruity *performance by Milla Andrew*) which is constructed like a sophisticated Broadway show-song. Invention runs out during the legal battles, where the effect of the music is to extend them interminably.

Granted the embarrassment about accents, the BBC fielded a strong cast. Malcolm Donnelly was an energetic Joe Hill, though half-strangled by his vowels. Spared any psychological niceties to concern themselves with, the rest attacked their roles ringingly, led by a sonorous Richard Angas as the union attorney. In small parts Frank Olegario, Willard White, Bryan Drake and Graeme Matheson-Bruce managed to conjure up real individuals (out of very little indeed). James Judd conducted an untidy but sympathetic performance; the warmth of Bush's feelings about the little history was nowhere left in doubt.

Arts news in brief

There is, at last, to be a National Collection of Banknotes. The British Museum has decided to expand the small collection already in the coin department into an important body of research material, and has appointed for this purpose an economic historian.

It is intended to concentrate particularly on the national series of bank and currency notes, though *notes of other* countries will not be neglected.

The British Museum will also start to acquire modern coins on a systematic basis. The museum has often had cause to be grateful to those who collected series of seeming unimportance in the 18th and 19th centuries, and now intends to build up a comprehensive collection of world currency for future generations.

The trustees have made special funds available to enable this policy to be carried out.

*

A late painting by William Blake was bought for the Tate Gallery by Agnews at Sotheby's last week.

This is *Winter*, one of a pair of illustrations to William Cowper's poem *The Task*, painted for Cowper's cousin, the Rev. John Johnson, to be set into the sides of his fireplace. A third painting, a landscape of *Olney Bridge*, ran across the top, but has been destroyed. They were almost certainly painted in the early 1820s, following the rebuilding of Johnson's rectory at Yaxham, Norfolk, in 1820-21, and remained in the possession of Johnson's descendants until their recent sale, having been on loan to the Tate Gallery for the past few years.

Winter was painted in one of Blake's own very personal forms of tempera, in this case close to watercolour with slight touches of gold applied over a very thin ground on a panel of pine, and is an example of Blake's late, more relaxed style.

*

The Board of directors of Nottingham Theatre Trust has announced the appointment of Geoffrey Rowe as the new administrator of Nottingham Playhouse. He will be the fourth administrator of the Playhouse and will take up his appointment on November 1.

Mr. Rowe is at present general manager of the University Theatre, Manchester, and also the administrator of Contact Theatre Company, the resident company at that theatre.

RSC to premiere two plays

The Royal Shakespeare Company is to stage the British premiere of Maxim Gorky's *The Children of the Sun*, to open at the Aldwych on October 9 (previews from October 3).

This is the fifth Gorky play to be staged by the RSC in recent years, and the fourth of these to be a British premiere.

The Children of the Sun was written while Gorky was in prison for his active part in the 1905 revolution.

The cast includes Sinead Cusack, Carmen du Sautoy, Alan Howard and Natasha Parry.

The RSC is also to premiere a new play by Nigel Baldwin, *Men's Beano*. It will open at The Warehouse in September (Press night on September 13 with performances from September 3).

This is the first play by Nigel Baldwin to be presented by the RSC. He has been resident dramatist at the Royal Court where three of his plays have been presented at the Theatre Upstairs.

Two RSC productions transfer to London in November: *Measure for Measure* opens at the Aldwych on November 6 (previews from October 31) and *Captain Swing* by Peter Whelan has its Press night at The Warehouse on November 7 (performances from October 30).

Both productions opened at Stratford last summer and were seen in Newcastle earlier this year as part of the RSC's seven-week season there.

Hoddinott birthday opera

Alun Hoddinott is 50 this year and to mark the occasion the BBC has commissioned him to compose an opera for television, *The Rajah Diamond*. The libretto is by Myfanwy Piper (who wrote the words for one of Hoddinott's previous operas, *What the Old Man Does is always right*) and is based on R. L. Stevenson's short story of the same name.

It has already been filmed and will be shown by the BBC on November 25. Director is Basil Coleman, conductor Robin Stapleton, sets are by Peter Phillips and the cast includes Sir Geraint Evans, Kenneth Bowen, Geoffrey Chard, Myron Burnett, Susanna Ross and Menai Davies.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Tuesday July 31 1979

Labour Party in travail

FOR MUCH of the past fifteen years the Labour Party claimed with some justification to have become—in Sir Harold Wilson's phrase—the natural party of government. The organisation may have been shaky and the ideological conflict never far below the surface. Yet in terms of winning elections the Party did quite well. It won narrowly in 1964, increased its majority in 1966, lost in 1970, but returned to office in 1974 and held it until May this year. Even today Labour is again ahead in the opinion polls. despite a decisive election defeat.

Ebbing away

By the standards of any democratic political party that is an impressive record. It suggests that not everything to do with the Labour Party in the last fifteen years has been bad, and that the Party may have a reasonable chance of winning a general election again even without doing anything very much in the way of reform. At the very least, it needs to think long and deep before making fundamental changes.

At the same time, however, it is clear that Labour's basic support has been gradually ebbing away. The Party won the election in February 1974 not so much on its own merits as because the public had become disenchanted with Mr. Edward Heath's handling of the miners' strike. If that election had not taken place when it did and Mr. Heath's standing had recovered, it is quite possible that Labour's troubles would have come to a head much earlier.

Perspective

Labour has ceased, for instance, to be the party of idealism, even if no other has taken its place. It is no longer the natural choice of the young or of intellectuals. It has frequently failed to fulfil its promises, not least because of its inability to deliver economic growth. It cannot particularly claim to be the party of good management. Its own organisation is chaotic, not just in some of the constituencies but also at Transport House. Above all perhaps there is the question of its relations with the trade unions. Does Labour lead the unions, is it led by them, or can there somehow be a satisfactory partnership?

All these are matters of concern, and not only for Labour supporters. Yet none of them is entirely new and they have not prevented the Party winning elections in the past. It is also worth remembering that the Tory Party in opposition went through many of the same travails. There were doubts about the leadership, about the organisation, about the ability to appeal to a broad mass of the electorate—much as the Labour Party is experiencing now—but in the end the Tories came back.

In the aftermath of the election defeat the Labour Party seems to have lost this sense of perspective. There is a reluctance to stand back and objectively examine the record of the past—both the successes and the failures—and then to plan for the future. The left tends to blame the defeat on the absence of socialism. The right blames the excesses of the left. Both are inclined to see the Party Conference at Brighton in October as a fight to the kill, though in practice party conferences rarely work out like that. If the left loses this year, it is unlikely that it will withdraw from the battle, and similarly with the right.

Review

The best compromise is that offered by those trade union leaders who have called for a fundamental review of the organisation, structure and finance of the party. Such a review would take time, but that is precisely its advantage. It would also serve as a cooling off period. Meanwhile the sense of perspective should return. The Labour Party still has plenty of talent. There remains too a need for a party of idealism and compassion, both at home and abroad. Party policies may have to be rethought in order to find ways of ensuring the economic growth that proved so elusive in the past or to adapt to life without it. The Party may also need to become more efficient in its own organisation. But there is no reason why it should tear itself to pieces. Labour has lost an election, but it has not lost its reason for existence.

Spain tackles Basque issue

THE BASQUE revolt against the central authority of Madrid has been alternately flaring and simmering for almost 150 years. It would be foolish to assume that such a complex and emotional issue can be defused overnight. If further evidence were required of the intractability of the problem, it has once again been provided by Sunday's explosions in Madrid, and yesterday's spate of bomb alerts in the capital. The threat of further attacks on crowded tourist resorts has once again been renewed by Basque militants.

Breakthrough

Yet there are now at least some grounds for optimism. The agreement earlier this month on home rule for the Basque provinces, reached after intensive negotiations between Sr. Adolfo Suarez, the Prime Minister, and Sr. Carlos Garaicoetxea, the leader of the mainstream Basque nationalist party, is a significant breakthrough by any standards. Many Basques have hailed it as a major historical turning-point, and it certainly represents hitherto unexpected concessions by Madrid. Equally important is the fact that these concessions, which would give a considerable degree of autonomy to the Basque provinces, have apparently been accepted by the Army and the hard-core rump of Franco loyalists, to whom the indivisibility of Spain is a cardinal principle.

For their part, the Basque participants in the talks have also made concessions. They have accepted that the Basque provinces will remain under Spanish sovereignty—an essential precondition for Right-wing approval in Madrid—and they have endorsed plans for a special referendum to decide the status of Navarre, where loyalties are divided. Significantly, the latest wave of terrorist bombing attacks, which bear the hallmark of the leftist politico-military wing of ETA, have been directed not so much against the home-rule agreement itself as against the continued detention of Basque nationalist prisoners. That would seem to indicate that at least one major faction of the militant Basque nationalist movement is prepared to give the agreement a chance, while at the same time demonstrating that it is still fighting for an amnesty for those it regards as political prisoners.

But it is not all over bar the shouting. The more violent military wing of ETA is still against the agreement, as is its ally the nationalist Herri Batasuna coalition, which has the backing of over 20 per cent of the electorate in the four provinces. The agreement has still to be put to a referendum in the Basque country. probably towards the end of September, and Herri Batasuna will soon be publishing its own counter-proposals. These are likely not only to demand the right of full self-determination but also to suggest that the three French Basque provinces should be incorporated into a single Basque nation. The referendum will almost certainly endorse the home-rule agreement hammered out in Madrid. But it is important that the separatists should be given a free rein to campaign for their own solution—if not they will argue that the referendum was fixed and resistance will continue. If they are defeated in a fair fight, it is more likely that many of their number will accept the referendum's verdict, splitting the separatist movement.

Nationalism

The referendum will be toughly fought. Quite apart from the overall issue of sovereignty, opponents of the settlement will argue that its provisions for a new Basque police force are inadequate and there could be difficulties over the tricky problem of education. touching as it does the most sensitive nerves of nationalism, language and culture. But they will have ranged against them not only the moderate Basque nationalists but also Government, Communist and Socialist voters—almost 80 per cent of the electorate.

What is encouraging is that Sr. Suarez has finally grasped the Basque nettle. His failure to do so hitherto had been one of his Government's major deficiencies. Given that independence for the Basque country is totally unrealistic, the Basques have been given as good an offer as they can reasonably expect. The hope must be that enough of them will rally to the settlement to isolate the extremists. The militants will not give up at once, but the less popular support they can count on the greater the chances of an end to terrorism.

THE CHALLENGE TO REGULATORS

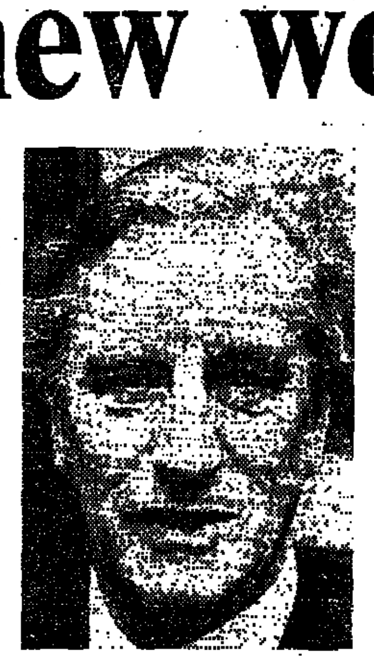
A new world order for banks

BY STEWART FLEMING in New York

THE GOVERNOR of the Bank of England, Mr. Gordon Richardson, had a blunt and hitherto unpublished message to convey when he opened the first conference ever of the world's bank regulators in London at the beginning of July.

"The realities of the international banking system may be tested again in the next few years," he said, for the world was entering another period of mounting OPEC surpluses, payments imbalances, high inflation, and the associated strains in exchange markets.

It was a litany which undoubtedly concentrated the minds of representatives of central banks and bank regulatory agencies from over 80 countries who attended the private session. It was ideally pitched to drive home the basic message expressed by Mr. John Heimann, Comptroller of the Currency in the U.S. He said that the global integration of national financial systems raised new problems for bank regulators, and that the search for new solutions would require international co-operation between regulatory agencies.



GORDON RICHARDSON
. . . a blunt message

Even before this year's 60 per cent increase in oil prices and the impending surge in the OPEC current account surplus, bank regulators in the major industrial countries were pressing ahead with new initiatives intended to tighten the regulation of international banking. In the U.S., for example, the Federal Reserve, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation last year set up for the first time a joint regulatory committee to monitor international lending activities of the major U.S. banks.

The initiative was in part a response to the rapid growth of international bank lending across borders, especially to governments, which creates country risk, the new regulatory problem. There had been growing concern in the U.S. that some banks were in danger of becoming dangerously exposed as a result of their enlarged role in helping developing countries finance the payments deficits resulting from the 1974 OPEC price rises and the subsequent world recession. Country risk involves not just the danger that a country might default on its bank loans, but also that it might run short of foreign currency making it impossible for commercial entities within its borders to repay their debts to the international banks.

Since the U.S. brought that committee into operation (and its surveillance systems are still being refined) other countries have in recent months been taking their own steps to tighten their control over their banks' foreign business. In the past few months the Swiss governor has said that he wants to apply capital ratios to the world-wide lending of the Swiss banks. They already do submit internationally consolidated balance sheets to the authorities.

The Japanese Ministry of Finance is examining the establishment of new guidelines for Japanese banks' foreign currency lending because it fears that the banks have been too eager to increase their foreign assets.

In Germany, the supervisory authorities have long been concerned about the amount of foreign lending being carried out by the big banks through their legally independent Luxembourg subsidiaries, which are free from the formal control of the Bundesbank or the Federal Banking Supervisory Office. A voluntary agreement has been reached between the banks on the one side and the German and Luxembourg authorities on the other, under which the German banks will provide the federal authorities with information on their international business on a consolidated basis.

The thrust of these moves is of importance not only to the international banks in the big industrial countries. They imply the beginning of a closer supervisory regulation of the Eurocurrency markets.

Unlike recent proposals floated by Germany and the U.S. to examine the imposition

OTMAR EMMINGER
(Bundesbank president)
. . . problems in Luxembourg

of reserve requirements on Eurocurrency deposits, this supervisory regulation is not aimed primarily at controlling the Euromarkets because of their impact on the world economy and domestic money supplies. Rather, a closer supervision of individual banking institutions would be aimed at, limiting the freedom of those bankers whose foreign operations are not currently closely monitored and who have been permitted to decide for themselves (without regulatory supervision) what is prudent. Even though aimed at individual banks, the new moves to control their foreign lending could still have macroeconomic effects. At times it could result in some individual countries finding it harder to persuade banks to make loans because of restraints imposed by bank regulators for example.

It could also lead to an improvement of the quality of aggregate data on bankers' foreign lending. The collation of such statistics by, primarily, the Bank for International Settlements, has been one of the ways in which bank regulators have already been attempting to get at least a better understanding of the extent to which banks are committing themselves to individual nations outside their domestic markets.

Over the past decade the leading world banks have begun to play as vital a role in the international economy as they have for long played in national economies. Their importance to national economies long ago led to government supervision of their national operations.

So there is a certain logic in the fact that what the Governor of the Bank of England termed the "internationalisation" of the banking industry should also attract Government supervision especially since it has in part been motivated by the banks' desire to escape some national regulation. Indeed were it not for the fact that such government regulation of the international operations of banks poses such formidable legal and practical problems, no doubt it would have happened earlier.

Another factor is influencing the timing of the new regulatory thrust. The growing importance of the international banks' role—it can be illustrated in part by the expansion of the Eurocurrency markets (according to Morgan Guaranty Trust) from a gross volume of around \$110bn in 1970 to \$890bn at the end of 1978—has been accompanied by increasing instability in the world's financial system and increasing risks to the banks operating in it.

The problem then is to find ways of trying to ensure that the instability and increased risk for banks which has accompanied the breakdown of the Bretton Woods system of fixed exchange rates, the move to floating exchange rates, and the challenges created by OPEC surpluses and high inflation, do not spill over into an international financial panic at some point, triggered perhaps by a bank failure or failures.

It was precisely such a threat in 1974, with the collapse of the Herstatt bank in Germany with capital losses on bad debts and uncovered foreign exchange positions of \$1.2bn and a succession of other banking disasters, which led to the first formalised co-operation between bank regulators in the main industrial countries. A Standing Committee of Bank Supervisors was set up in Basle, comprising central bankers and bank supervisory authorities from the Group of Ten countries, and from Luxembourg and Switzerland.

That committee's first priorities included an assessment of the existing supervision of banks' international operations to try to ensure that no area of bank activity escaped proper surveillance. Previously foreign branches and subsidiaries of banks in one country had sometimes fallen outside the perceived responsibilities of the supervisory authorities in either countries — the Israel-British Bank which collapsed in 1974 is a case in point.

Priority was also given to trying to establish an "early warning system" between the committee members to alert them of emerging banking problems, and to set up an agreed basis for co-operation. It was established that the supervision of international banks in the countries of the committee should be a joint responsibility of the regulatory agencies in each country.

It was also agreed, even though the principle went beyond the letter of the law, that a banking group has responsibility for its activities throughout the world—whether through branches, subsidiaries or joint ventures—where its parent's name is involved. The primary responsibility for supervision, it was agreed, should be with the regulatory agency in the parent company's home country, but with certain qualifications.

The weight of supervisory responsibility borne by the parent company's regulatory authority should be greater for, say, foreign branches than for foreign subsidiaries and foreign joint ventures. In these latter cases the regulatory agency in the foreign host country should shoulder a bigger responsibility. Similarly in matters of bank liquidity, which can be heavily influenced by a foreign country's monetary policy, the foreign host regulatory authority was seen to have a bigger supervisory responsibility.

Regulatory loopholes

This co-operative regulatory framework is riddled with loopholes. There continues to be some uncertainty about the different central banks' roles as lenders of last resort to banks in difficulties. Thus, although the U.S. is opening its discount window to foreign bank branches under the terms of last year's International Banking Act, it is unlikely to be opened to a bank which is seeking to fund liabilities in another country. The U.S. is particularly sensitive about these issues.

Another weakness of existing regulatory co-operation is that it has involved only the 12 nations in the Basle Committee, even though international banks are operating in dozens of countries, some of which have secrecy laws which make it difficult for regulators to verify the condition of the banks they are responsible for.

One of the main reasons for the London conference early in July was to begin to build closer relationships among bank regulators in a wider range of countries. Partly the objective was to acquaint them with the issues. But the aim also was to begin to develop the personal, but informal, relationships which bank regulators find invaluable in their work when strained diplomatic relations or legal constraints such as secrecy laws might otherwise make formal international co-operation impossible.

One of the most glaring weaknesses of the regulatory co-operation established under the Basle Committee has been the result not of the difficulties of international co-operation but of the inadequacy of the regulatory

JOHN HEIMANN
. . . a new set of problems

framework within some individual countries represented on the Basle committee itself.

There are many ways to skin a cat, and bank regulators go about their jobs differently. Some countries prefer formal capital adequacy rules for example; others, including the British and the American regulators, do not. The British and American regulations do, however, provide that regulators must have access to the consolidated accounts of the banks giving them a picture of the whole of the operations of the organisation. In continental Europe, many countries have not yet embedded the principle of consolidation in their banking laws.

In the case of banks which have been building up their overseas operations rapidly and at a time when funds can flow freely around the world this has been a glaring weakness. A bank could for example make its

FRITZ LEUTWILER
(Swiss Central Bank president) . . . widening the capital ratios net

supervised domestic business look much stronger than it really is by transferring notional profits from its offshore operations. It could also sidestep capital adequacy requirements on its regulated domestic operations by expanding its foreign operations, perhaps through a chain of subsidiaries.

The only constraint on the bank would be the prudence of its management. Thus, at the end of last year, the Basle Committee moved to recommend that member regulatory agencies should establish bank supervision on the basis of consolidated international accounts. Even if this move to require consolidated accounts does become universal in the 12 countries represented on the Basle committee, problems will remain for the bank supervisors.

There is concern within some segments of the committee about the extent and possible implications of the more sophisticated liability or deposit management activities of international banks. In part this is simply the regulator's traditional worry about the basis of banking—banks do borrow short and lend longer.

But these anxieties are intensified by the term lending which is the basis of the Eurocurrency markets, with loans stretching out over 10 years albeit with roll-over clauses, and the heavy and increasing dependence of banks in that market on short-term deposits from other banks.

One of the problems of course is that the liability side of a bank's balance sheet can change so quickly. In an era of volatile exchange rates and interest rates so, too, can the risks inherent in a particular liability structure.

The challenges facing the world's banking regulators as banks become increasingly international in their operations are immense. Some worry for example that as developing nations grow, more of the world's large banks will be headquartered outside the leading industrial nations, and that the regulatory agencies in some of these countries may lack the financial and technical resources or even the political will to supervise these institutions adequately. Regulation has been one of the worries about the proposed Hongkong and Shanghai-Marine Midland merger.

There is anxiety, too, about the growth of some international banks which are as stateless as the stateless money which critics of the Eurocurrency markets complain of, and do not appear to fall adequately within any regulator's responsibility according to some senior regulatory agency officials.

The basic concern however remains the case thrown up by the Herstatt collapse. The international financial system has if anything become more sensitive and perhaps vulnerable to the failure or even the rumoured collapse of a moderately large bank in the years since 1974. The international banks have become more dependent on interbank deposits for funds for example.

It must be said on the other side that the banks themselves as well as the regulators are more aware of the risks and are moving to tackle them through the new regulatory initiatives in the case of the supervisors and through improved controls in the case of the major banks.

One must hope that the bank regulators will not require the incentive of further dangerous failures to tackle adequately the challenges they face. But the task is a formidable one. As Mr. Heiman has pointed out there is always the risk that too rigid regulation will stifle bank managements and still not be foolproof. Thus it is a key element in any regulatory system that it should not inhibit competitive freedom too severely and that, therefore, it should be prepared to cope with the probably inevitable occasional banking disaster.

MEN AND MATTERS

Kay's light in black holes

Sir William Pile, the genial chairman of the Inland Revenue, has probably sparked off more frenzied activity among journalists this year than any other government official. His casual guesstimate in March that the UK "black economy" now totals £10bn annually precipitated an avalanche of Press features, special investigations, surveys and in-depth analyses.

According to John Kay, the newly-appointed director of research at the independent Institute for Fiscal Studies, most of the outpourings have been pretty wide of the mark. The institute plans to redress the balance within the next four months with a paper setting out the ground-rules for tracking down growth of unofficial economic activity.

Publication of the paper is likely to bring the journalists' field-day on the subject to an end and introduce an equally diverting spell of infighting among academic economists.

But my (black) money is on John Kay to stay well ahead of the field, if past achievements are anything to go by. He became a Fellow of St. John's College, Oxford, at the age of 21 and a member of the Meade Committee on tax reform five years later. In the last couple of years he has collaborated on two well-received books, on the British tax system and concentration in modern industry. His is still only 30.

On the black economy he is working closely with Nick Morris, one of the institute's two senior research officers. They are pursuing three main lines of inquiry. The first is the discrepancy in spending shown up in the Family Expenditure Survey between employees and the self-employed at each level of income.

The second is a breakdown of the spending and output figures in various categories. The correspondence between spending and output is good for

"He's an electrician suffering from a guilt complex after using a pay bed."

textiles and food, where the black economy is not thought to have any real impact. In miscellaneous services, however—a sector covering a multitude of sins—the match is not nearly so tight. Finally, they are looking at areas where the Inland Revenue itself has been able to uncover substantial amounts of evasion.

Given the bird

Europe's second woman premier shows signs of being as single-minded as the first. Maria de Lourdes Pintasilgo has taken only five days to form a new Portuguese government; her male predecessors since the 1974 coup have needed an average of two and a half weeks to perform the task.

She is also standing no nonsense from journalists who have been mis-spelling her name Pintassilgo, which means goldfinch in Portuguese. The 49-year-old spinster premier was unamused by jokes in the Lisbon newspapers about birds, including one observing that the previous incumbent had a name meaning little chicken, and the parliamentary leader of the Communist Party is called Pato, meaning duck.

So at the weekend, a communique was sent to the predominantly male Lisbon press corps from the new premier, warning them against their chauvinistic spelling error. "Please make the appropriate corrections," she ended sternly.

Trading goals

When members of China's national football team arrived at Heathrow last night, there was one face in the welcoming crowd which they immediately recognised. Jack Perry, chairman of the London Export Corporation, had prepared the ground for Sino-British soccer by initiating West Bromwich Albion's four-match tour last year.

Perry, now 64, has been involved with Chinese trade since 1952 and made more than 30 trips to Peking. His company now has a turnover with China of more than £60m a year, and its head office in Portland Place is near the Chinese embassy. In the more relaxed post-Mao era, Perry has felt it timely to use his unique relationship to encourage sporting exchanges.

His son Graham, a director of LEC, went with "West Brom." to China. "I was a linesman in one of the matches in Peking —it was very exciting," he says. What does he think of the Chinese as players? "Very skilled and enthusiastic, but they need more exposure to Western tactical formations. West Brom. won all four matches."

The Chinese team will tomorrow night play WBA — the first of its four encounters here. In London they will be meeting Chelsea. "I'm glad they are not playing Arsenal, which our whole family supports, otherwise we could have divided loyalties," says Graham Perry.

With the growth in trade, there has been no lack of business sponsors for the soccer tour. When WBA went to China, LEC persuaded Dowty, Rolls-Royce, Barclays and several other banks to give support. This time, an active role has been played by George Wimpey, which has grand designs on Peking.

Counter point

The new Milton Keynes shopping centre — to be opened officially in September — was described yesterday by this newspaper's architectural correspondent as "other worldly." Some of the bank unions believe it is too other worldly by half.

Their ire has been aroused by the new Milton Keynes branch of Barclays, which should be open for business later this month. The branch has done away with screens between staff and customer.

Barclays argues that security is provided by keeping the bulk cash one floor up, so that the cashier has only £200-odd at his or her immediate disposal. David Dines, assistant secretary of the Banking, Insurance and Finance Union, says that might deter the professional bank-robbers, but not the casual amateurs. "Some slightly subnormal individual, with a couple of pints in him at lunchtime, might see the open counter as an invitation. He could easily jump over and threaten the cashier with a knife."

Floored

Danes joke about Swedes with as much relish as the English do about the Irish. One example of the genre:

Three Swedes stagger into a bar in the early hours, giving all the signs of earlier over-indulgence. As the apprehensive barman comes across one of them collapses unconscious under the table. Not in the least put out, the remaining two order a double whisky apiece.

"But what about him?" demanded the barman, pointing at the recumbent figure.

"No more for him," he was told firmly. "He's driving."

Observer

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THE LESSONS OF PRICE CONTROL

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

The Price Commission closes its doors

THE PRICE COMMISSION, which has earned the unenviable reputation of being the most criticised quango of recent years, will to all intents and purposes be defunct as from tonight. Although the Government's failure to get its Competition Bill through Parliament before the summer recess means that the Commission will continue to exist formally for some months yet, the contracts of most of the existing 16-strong members of the Commission expire at midnight tonight and, with one exception, will not be renewed.

The exception is Sir Nick Larmour who, along with Mr. Leslie Pincott and Mr. Roger Opie—whose contracts still have some months to run—will form a "caretaker" Commission until the Competition Bill which formally abolishes the Commission becomes law. But the caretaker Commission will have no role to play other than that of fulfilling the statutory obligations of existence laid down by Parliament.

Already Mr. Charles Williams, the Commission's chairman for the past two years, and most of the Commission's 550 staff have left the imposing 22-storey office block towering over the new Covent Garden in south London. The skeleton staff left have only three final sector examination reports to publish before they, too, will go.

The Commission's demise means that, after six years of statutory price controls, British industry no longer will have to justify pricing decisions before they are implemented. If the CBI's voluntary restraint on prices in 1971-72 is taken into account, it means that for only just over a year out of the past 15 years has no formal prices policy existed.

The last two of those 15 years, however, have been the most controversial because there was a conscious attempt to link a counter-inflationary policy with an interventionist policy of improving corporate efficiency and market competition.

"We are creating something which no other industrial economy of the size of the UK has and, although we are only taking our first, faltering steps along the path, we must look ahead to a long-term programme," Mr. Williams pointed out soon after the Commission started in 1977.

But the CBI consistently opposed the Commission, the Conservatives in opposition described it as a "mafia-like star chamber," and a number of companies which fell foul of the Commission have made considerably more uncomplimentary remarks, both in public and private.

Yet there are several lessons from the Commission's experience of price control and its investigations into corporate pricing policies, market structure and behaviour, and management efficiency. Furthermore, the legacy of 44 company investigation reports and 16 sector examination reports provides a unique case-file of the way British industry operates.

CBI concern

Such lessons assume even more importance in view of the fact that—much to the CBI's concern — the Government is pressing ahead with its own policy of investigating anti-competitive practices in British industry. And since the last Conservative Government reversed its policy on formal price controls within 28 months (and for 15 of those months it was helped by the CBI's policy of voluntary price restraint), the lessons of the past few years may—if past form is repeated—be brought to the attention of Mrs. Thatcher's Government before too long.

Undoubtedly the clearest one to emerge in the past two years was the political mistake of continuing with the name Price Commission in 1977 when the old Commission — headed by Lord Cockfield (now a Treasury Minister in Mrs. Thatcher's Government)—was wound up.

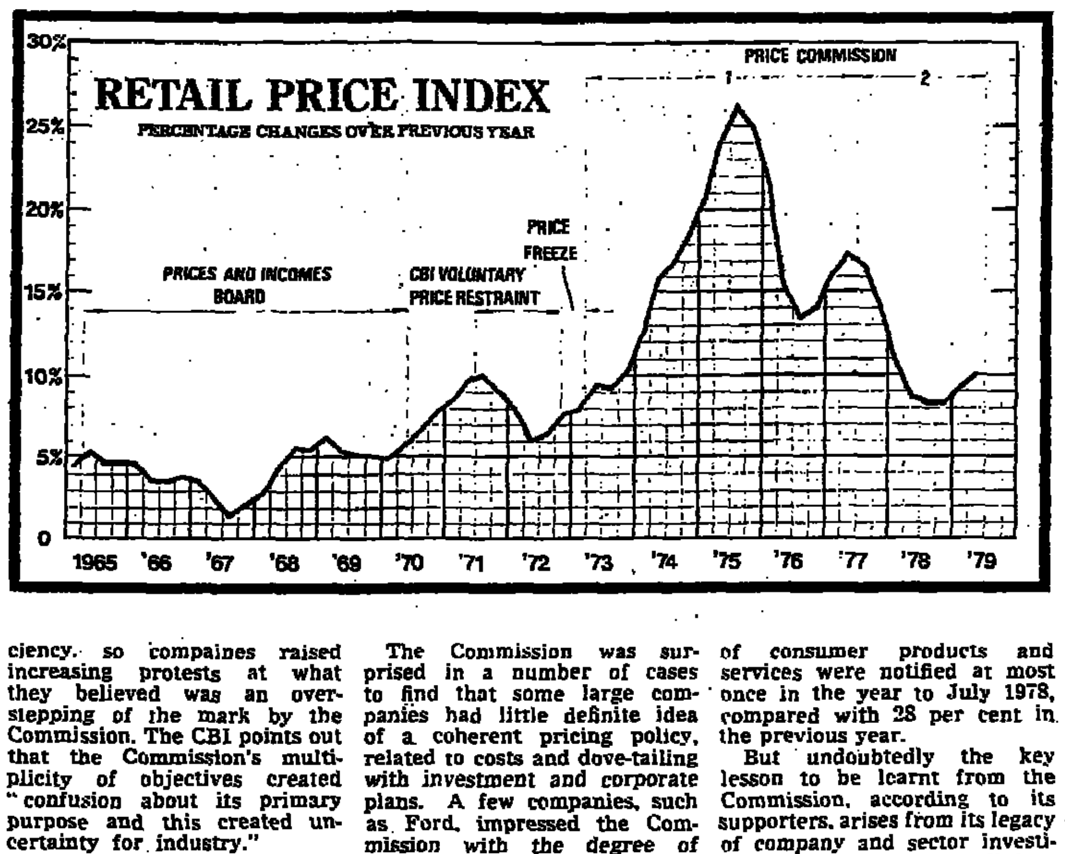
The previous Price Commission had been set up by the Heath Government in 1973 with the specific function of vetting price rises according to a rigid and mechanistic set of criteria of allowable cost rises.

However, once the distorting effects of the old Price Commission's Code became all to clear, the Labour Government decided in 1977 to replace its rigidity with a more flexible set of criteria about when prices should be allowed to rise. But, more significant, it was made clear at the time that the Commission's role was not to act as an across-the-board price checking body, but only to restrain unnecessary price rises. Such price rises, it was argued, were a sympton of uncompetitive market structures and business inefficiency and this led neatly into the Commission's dual role of being the main interventionist arm of the Government's broader competition policy.

A more accurate name for the Commission, therefore, would have been the Competition Commission or the Commission for Market Imperfections (the latter, in fact, was suggested by Mr. Williams).

Although it is a matter of public record that this competition role was clearly foreseen from the beginning by the Labour Government, there is little doubt that in the Spring of 1977 it was politically expedient not to underplay the price restraint role. At that time the Government was seeking to negotiate a third phase of incomes policy with the trade unions—and a new and tougher Price Commission was presented to the unions as a quid pro quo for the eventual limited pay deal that was agreed.

However, this inevitably meant that the Commission's competition role increasingly came to be misunderstood: as the Commission began to criticise market behaviour and efficiency, so companies raised increasing protests at what they believed was an over-stepping of the mark by the Commission. The CBI points out that the Commission's multiplicity of objectives created confusion about its primary purpose and this created uncertainty for industry."



Indeed, it would appear that Mr. John Nott, the new Trade Secretary, has already learned the lesson. The Government's new policy on anti-competitive practices—which is broadly similar to the Price Commission's competition policy function—will not be cluttered up by a cosmetic prices role.

But that has been argued forcefully by the Commission is that the crucial requirement for all large companies to pre-notify price rises had two main effects. One was that it forced companies actively to consider their pricing policies and to be prepared to justify any increases. The other was to provide the Commission with the key pricing information that enabled it to pursue its competition role.

The Commission was surprised in a number of cases to find that some large companies had little definite idea of a coherent pricing policy, related to costs and dove-tailing with investment and corporate plans. A few companies, such as Ford, impressed the Commission with the degree of their pricing sophistication—but many others adopted a crude rule-of-thumb approach.

The pre-notification—and justification—of price rises meant a re-think was needed by many companies. The Commission received between 300 and 400 notifications a month of price rises from large companies and as many as one-in-four were amended or withdrawn by the companies concerned. In cost terms, the Commission has estimated that this "saved" some £120m in the first year alone.

Moreover, the Commission was successful in persuading companies to increase prices only once a year instead of two or three times as previously. A special analysis of price notifications showed that 73 per cent of consumer products and services were notified at most once in the year to July 1978, compared with 28 per cent in the previous year.

But undoubtedly the key lesson to be learnt from the Commission, according to its supporters, arises from its legacy of company and sector investigations. Much to the relief of the CBI, however, it appears that the Commission's files will not be given to the Office of Fair Trading (OFT) or Monopolies Commission.

Yet the published reports contain several themes which are likely to be picked up by the OFT and the Monopolies and Mergers Commission as part of the new competition policy.

The basic finding, according to the Commission's published reports, was the clear prevalence of price discrimination throughout industry. Such discrimination in all cases meant that the price the consumer paid was not related to the true costs of production.

Such price discrimination took various forms. These included:

- Different prices and profit margins depending on size of the customer;
- Uniform delivery prices, which do not fully reflect differences in distribution costs;
- Special trade discounts to particular customers, especially in the retail grocery sector, which are not a result of distribution cost savings but follow from market power (currently under review by the Monopolies Commission).
- Cross subsidisation between various markets i.e. low prices or profits in one part of the business being subsidised by higher prices/profits in another sector.
- Recommended retail prices whose main purpose is to allow retailers to make special bargain price offers (now largely prohibited in several trade sectors since July 1).
- Price parallelism, involving several producers agreeing to raise prices in unison.
- Excessive advertising expenditure leading to higher prices.

The Commission's conclusions on management efficiency were less well documented and obviously more controversial. However, the Commission's investigations did conclude that in many companies there existed a significant stratum of younger, more aggressive managers willing to act more competitively within their particular industries. Thus in companies where competition had historically been consciously limited by such practices as price parallelism, the Commission found that there was often a faction that believed that competition would be more beneficial than collusion. It was such factions that the Commission often supported in its published reports.

The CBI, however, takes a different view of the Commission's competition role. "First," it argues, "the Commission seemed to have too narrow a view as to what constitutes effective competition and in some cases appeared to have restricted prices when there was little evidence that the company was not constrained by competition.

"Second, the Commission had criticised certain aspects of a number of marketing practices—often without clear analysis and identification of any actual harmful distortion to competition. These practices can act as a distortion to competition in particular instances, but they can also represent a part of the competitive process. The Commission's error is that it appeared to presume these practices are always anti-competitive in their effect."

It remains to be seen whether the Government's new competition policy will make the same mistake in the CBI's view, although there are already rumblings of discontent from some companies.

What also remains to be seen is whether Mrs. Thatcher's Government will be forced in the same way as the Heath Government to bring in some form of formal price control.

Although it is clear that Ministers do not as yet envisage any change of course, it is significant that the latest Financial Times survey of consumer confidence—published last week—shows that fears about inflation are at their highest for some time, exceeding the concern over trade union power during last winter's industrial unrest.

The Government has the means to produce a price control policy if the need arises. Clause 13 of the new Competition Bill gives the Trade Secretary extensive powers to request an OFT investigation into any price rise of public concern. Although Mr. Nott has emphasised that the clause is expected to remain dormant, it can and at some time may have to be—activated at short notice.

Letters to the Editor

Robbing Peter to pay Paul

From Mr. R. Taylor, MP

Sir,—Having completed a ten day sales visit to Saudi Arabia and Bahrain (where the strength of the pound has created no insuperable difficulties) even the speed of Concorde offered me an opportunity to study your issues of July 20 and 23.

In the former, Lombard drew attention to the consequence of the Government's public spending policy on the opportunities for United Kingdom industries to claim grants from the European Commission and suggested that as our deficit to the Community is likely to increase as a result, the matter should be resolved in the newly elected European Parliament by a more sensibly balanced budget. In the correspondence columns of the latter the director of the National Home Improvement Council drew attention to the same consequence but suggested a different remedy: he proposed that Sir Keith should formulate his policies so that British industry should be able to secure a greater share of the available grants and loans from Brussels.

This latter suggestion must represent the ultimate absurdity in grant and loan gamesmanship. If we spend more money at home we can claim more of our money back from Brussels!

The advice of the director of the NHIC is quite out of line with Conservative thinking at Westminster. We do not wish to be induced by Brussels into introducing Government subsidies which we believe to be misguided, in order to claim our money back from Brussels.

No Sir! Lombard has it right: the newly elected European Parliament must flex its muscles and stop the Commission from robbing Peter to pay Paul. Mrs. Thatcher's Government has shown that it is intent on spending less and thereby reducing taxation: it is up to our colleagues in the European Parliament to play their part and thereby ensure Britain's gross contribution to Europe is substantially reduced. This is one of the few occasions when the gross figure is far more significant than the net!

As (currently) chairman of the Building Materials Export Group, I could write from the same address which we share with the National Home Improvement Council, but I cannot presume to speak for all members of the group and, therefore, prefer to remain,

Robert Taylor, MP
(Sales Director),
G. and S. Allgood.
297-299, Euston Road, NW1.

The Falkland Islands

From the Director-General, The Falkland Islands Office

Sir,—The Hon. Nicholas Ridley, MP, Minister of State at the Foreign and Commonwealth Office, is reported (July 26) to be discussing the "Hong Kong" solution to Argentina's claim over the Falkland Islands.

This has never been acceptable to the islanders. A lease-back arrangement under which Britain cedes sovereignty to Argentina has been mooted several times before. British sovereignty is indisputable in international law.

We should not forget the potential advantages to the British economy of the massive fish resources of the South Atlantic—highlighted in the annual report from the White Fish Authority. Such resources emphasise the importance of the putative 200-mile limit around the Falkland Islands and their dependencies.

(Air Commodore.)
Brian G. Frow.
2, Greycoat Place,
Westminster, SW1.

Saving copper and fuel

From Dr. J. Walker

Sir, — A sixth "antidote" available to Sir Keith Joseph to alleviate our dependence on imported materials (July 19) is to reduce our consumption. For example, the heavy copper wiring system in automobiles can be replaced by a single pair of wires carrying coded information between dashboard, lights, horn, engine, etc. The coding and de-coding is performed (naturally!) by micro-processors. As well as saving copper, this system reduces fuel consumption because the overall bodyweight is lower.

There are many other examples of microprocessors saving both raw materials and energy. In view of this, it is very encouraging that the Government has confirmed its support for the National Semiconductor microelectronics plant in Scotland (July 24).

(Dr.) John Walker.
Bleasdale Computer Systems.
7 Church Path,
Merton Park, SW19

Mortgage interest

From Mr. R. Camplin

Sir,—Your leading article of July 26 must not go unchallenged. Income tax ought to be a tax on income and if interest receivable is to be included in arriving at a taxpayer's income then interest payable should be equally deductible. You describe the fact that mortgage interest remains deductible, as a special case. This is only true because other forms of interest payable are no longer deductible in arriving at "income."

To deny to borrowers the right to deduct interest on borrowed money in arriving at taxable income, tilts the scales of equity, quite unfairly, in favour of the person with capital which can be un-invested to effect a house purchase.

That there is no active housing market, particularly in rented property, is to be deplored but the way to effect a change is surely to allow rent payable as a deduction in computing income.

R. S. Camplin.
20 Riverside Road,
Staines, Middlesex.

Demand for air travel

From the Planning Director, British Airports Authority

Sir,—I wish Mr. Burgess-Wise (July 26) had been more specific about the "independent market survey" which, according to him, proves that future demand for air travel can be met by existing London airports. I am not aware of any such survey, but no doubt it will land on my desk in due course.

In the meantime, British Airports Authority must continue to plan on the basis of its own forecasts—which agree with those made by airlines, aircraft manufacturers and the Government — "questionable" though they may appear to Mr. Burgess-Wise.

Traffic this year for the South-East airports is running at about 14 per cent above last year's levels, and at this rate of growth we shall be approaching 41m passengers at these airports in 1979.

We do not expect growth to continue at that rate because of the effect on air fares of higher fuel prices. Our forecasts contain some fairly pessimistic assumptions about oil prices, but even so we are predicting a rate of growth not lower than five per cent a year throughout the 1980s.

This means that the demand at South-East airports could approach 60m by 1985 and exceed 75m by 1990. On this basis present airports — even expanded by additional terminals at Heathrow and Gatwick — will not be able to cope with this increase beyond 1987.

D. W. Turner.
2, Buckingham Gate, SW1.

A gateway airport

From the Director, Nottinghamshire Chamber of Commerce and Industry.

Sir, — Mr. D. Burgess-Wise (July 26) is quite correct. We do not need a third London airport. What we do need is a gateway airport to serve central England, South Yorkshire and the Home Counties. That airport already exists and is ripe for expansion to gateway status. It is the East Midlands Airport.

This airport is so sited that the environmental disadvantages arising from expansion would be minimal. It is alongside the M1 motorway and at the carfax of a trunk road network which places it only an hour's travelling time from the Birmingham conurbation to the west, Leeds to the north and Bedford to the south. When the St. Pancras line is electrified it will be as close in time to the heart of London as is Heathrow.

So why a third London airport? There is already an airport which would be a far greater advantage to the nation, and especially to its productive industry. Exploiting its many advantages by giving it gateway status would save an immense sum of public money and avoid despoiling thousands of acres of agricultural land.

Ronald G. Walton.
Sutton-in-Ashfield, Notts.

Nuclear power performance

From the Director and General Manager South of Scotland Electricity Board

Sir,—Mr. David Fishlock's knowledge of the nuclear industry is profound and his comment usually well-informed. His article (Lombard, July 19) was no exception, but his analysis of the performance of advanced gas cooled reactors was incomplete.

Although there were technical problems of a type to be expected in such prototype developments these were and are being overcome at Hunterston "B" with a delay in the construction time and at a modest increase in cost, both of which compare favourably with the achievements at many stations using "proven" designs of light water reactors. I believe the same could be said for its sister station at Hinkley "B" built by the same contractor. David Fishlock puts his finger on the real problem in the construction of the first generation of AGRs when he refers to the "dismal industrial performance." Indeed, the principal problems with the initial programme of AGRs have been the industrial performance of some of the design and construction companies to whom was entrusted the work of translating the basic technology into commercial designs and carrying out the construction of these stations. But there were three separate companies and three separate designs—the company responsible for the Hunterston station performed well and completed its task creditably—so that it would be misleading not to distinguish between the different designs and projects.

The performance of Hunterston AGRs has been satisfactory, most of the teething problems being associated with the conventional generating plant rather than the reactors. Leaving aside the 12 per cent outage times for statutory inspections the cumulative loss of load factor over life from breakdown and lack of availability of reactor R3 and its ancillary plant is 23 per cent based on its interim rated output of 550 MW and this in spite of temporary restrictions on the on-load refuelling system. The other reactor —R4, which has been out of commission due to the now well known ingress of sea water (which cannot be ascribed to any weakness in the design) achieved 74 per cent availability during its six months of operation.

It is as a result of this experience that it has been accepted future AGRs in the UK will be based on the Hunterston/Hinkley design.

D. J. Miller,
Cathcart House,
Spean Street, Glasgow.

A strong pound

From Mr. J. Smetana

Sir,—It is surely about time that British exporters stopped shouting foul about the strengthening pound. While it is naturally true that as the pound strengthens so export prices appear less competitive in world markets but it is also true that imported raw materials become cheaper.

Perhaps these exporters might consider contacting their German or Japanese competitors and ask them how it is they have been able to compete over the last two or three years with strong currencies. Is it perhaps that they make better products? In some cases perhaps, but certainly their productivity is higher, they deliver on time and thereby gain a genuine competitive advantage.

J. V. Smetana.
40 Sheldon Avenue,
Highgate, N6.

Today's Events

GENERAL

UK: Mr. Len Murray, general secretary, Trades Union Congress, speaks at Euro-Japanese Exchange Foundation seminar "European Business Climate for Japanese Enterprises," Lane End, near High Wycombe, Buckinghamshire.

Publication of Civil Aviation Authority annual report.

Last day of statutory dividend controls.

Discussion on Three-Mile Island Nuclear Reactor Incident, Harrisburg, U.S., led by British team which investigated the accident, Institution of Mechanical Engineers co-sponsored by the Nuclear Energy Group, 1, Birdcage Walk, SW1, 2 pm.

International Air Transport Association talks continue, Geneva.

Prince of Wales gives reception at Buckingham Palace for those concerned with community relations.

British Tourist Authority presentation of 1978 awards to winners at BAT's "Come to Britain" Trophy Competition, 40, Dover Street, W1.

Overseas: Mr. Michio Watanabe, Japanese Agriculture Minister, in talks in Munich with his West German counterpart, Herr Josef Ertl.

Sir Kenneth Cork, Lord Mayor of London, in Kuala Lumpur on his Far East tour.

OFFICIAL STATISTICS

Confederation of British Industry Industrial Trends Survey for July.

COMPANY RESULTS

Final dividends: Cableform Group. Waring and Gillow (Holdings). Interim dividends: City Offices Company. Drayton Premier Investment Trust. Grindlays Holdings. Law Debenture Corporation. Nottingham Manufacturing. "Shell" Transport and Trading. Vantona Group.

COMPANY MEETINGS

Ambrose Investment Trust, Institute of Chartered Accountants, EC, 12.30. Hargreaves, Bowcliffe Hall, Bramham, Wetherby, West Yorkshire, 12. Hill Samuel, 1, London Wall, EC, 12.15. International Timber, Tower Hotel, E, 12. Lindustries, Dorchester Hotel, Park Lane, W, 12. Joseph Pack, Rotherham, South Yorkshire, 10.30. Russell Brothers (Paddington), Hendon Way Hotel, Hendon Central, 12. Warnford Investment, 20, Aldermanbury, EC, 3. Wheway Watson, 101, Sutton New Road, Erdington, Birmingham, 12.

Nottingham Mfg. advances to £6m in first half

WITH TURNOVER £9m higher at £71.3m taxable profits of the Nottingham Manufacturing Company increased from £4.98m to £6.05m for the first six months of 1979. In the last full year, a record £15.4m surplus was achieved.

Turnover and profits in the first half are normally, due to seasonal factors, less than those of the second six months.

The result included investment income well up from £0.97m to £1.58m, but was struck after loan interest of £328,000 (£345,000).

A one-for-three scrip issue is proposed. On the increased capital, the net interim dividend is effectively lifted from 0.75p to 1p and the directors intend to recommend a final at a rate no less than last year—the 1978 final was an adjusted 1.96674p.

After tax of £1.82m (£1.49m), half-yearly net profits were ahead from £3.49m to £4.24m.

An executive share option scheme is proposed.

The group manufactures knitted outerwear, hosiery, etc., and tufted carpets.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Drayton Commercial int.	1.31	Aug. 31	1.31	—	5
Felixstowe Tank ......int.	2.5	—	2.5	—	12.5
Hampson Inds.	0.53	—	0.44*	0.8	0.69*
Investment Co.	1.5	Sept. 4	1.06	1.5	1.06
Macdonald Martin int.	3	Oct. 1	3	—	7.78†
Nottingham Mnfg. ...int.	1	Dec. 3	0.75*	—	2.72*
A. Preedy	2.6	Oct. 1	2.28	3.35	2.85
Stavert Zigomala	5.0	Oct. 8	4.5	5.0	4.5

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For nine months.

Hampson turns in £584,000

AS EXPECTED, taxable profits of Hampson Industries, the engineering and industrial cleaning group, were lower for the year to March 31, 1979, at £584,116, against £614,194. Turnover was £1m higher at £12.73m.

At midway, the surplus was little changed at £274,180 (£271,390), but the directors said full-year results were unlikely to equal last time because of wide-scale outside industrial action in the second half.

After a lower tax charge for the year of £195,587 (£234,001), net profit came through marginally ahead at £388,529 (£380,193), giving earnings per 5p share of 2.16p, compared with 2.12p. The net total dividend is raised from an adjusted 0.692p to 0.8p, with a 0.525p final. A one-for-ten scrip issue is also proposed.

There is an extraordinary debit of £12,321 (£23,928 credit). Retained profit emerged at £271,625 (£313,771).

Encouraging start made by John Swan

THERE HAS been an encouraging start to the current year for John Swan and Sons, livestock auctioneers and estate agent in South East of Scotland. Mr. James Whitton, the chairman, forecasts that, if the effects of the hard winter and late summer are overcome, it will be a successful year of trading.

The company is proposing to up-date its articles of association, and to sub-divide its £1 shares into 25p shares. At the same time it is seeking to raise the maximum number of directors to 12, compared with the present 10, and lift the borrowing limit to twice the total issued capital and reserves which, based on April 30 balance sheet, would mean £238,000.

At the balance date there were bank overdrafts of £708,024 (£622,465).

As known taxable profit for 1978-79 was ahead from £187,586 to £210,461 on turnover of £0.75m (£0.64m). Net dividend is raised to 25p (22.786p).

Equitable Life rates revised

The Equitable Life Assurance Society, the oldest mutual life company in the UK, has revised its term assurance rates resulting in substantial reductions. These type of life contracts provide death cover only and the Society has improved its rates both for ordinary level term assurance contracts and for term policies for the self-employed.

Under these new rates, a man aged 44 can insure his life for £10,000 over the next 15 years at an annual cost of £53. Similarly the cost for five year cover of £10,000 for a man aged 29 would be £11.40 a year. This latest revision makes the company one of the leaders in this type of life insurance.

Mt. Charlotte improves at interim stage

An improvement in taxable profits from £320,000 to £396,000 is reported by Mount Charlotte Investments, hotel and catering group, for the 28 weeks to July 15, 1979. Turnover progressed from £4.53m to £4.88m.

Profits were struck after little changed interest of £146,000 (£149,000) and depreciation and amortisation increased from £59,000 to £70,000.

Again there is no tax payable. The directors say there is unlikely to be any material tax charge because of losses brought forward, and allowances on substantial capital expenditure.

The company does not pay interim dividends—last year's single payment was 0.553p on £555,000 pre-tax profit.

BIBBY & BARON

At the meeting of the holders of the 6½ per cent debenture stock 1984-89 of Bibby and Baron (Holdings) the resolution setting out the arrangement for the repayment of the stock at par, from April 1, 1979, to August 15, 1979 inclusive, was passed.

Freddie Mansfield

Mr. W. E. Luke (left) chairman of Lindustries, who is retiring at today's AGM, seen with his successor Mr. Peter Rippon.

Macdonald Martin £0.61m at midway

IN THE first six months of its new financial year to December 31, Macdonald Martin Distilleries reports turnover of £6.09m and a pre-tax profit of £608,000.

In the previous nine months last year, the group's turnover was £5.33m with pre-tax profits of £1.28m.

The directors are declaring a maintained interim dividend of 3p per share. The previous total was 7.78p and 3.89p on the B shares.

Principal of the group's proprietary brands are Highland Queen, Martin's VVO and Glenmorangie Highland Malt.

Earnings per share are shown at 3.43p, against 3.05p, and the dividend is stepped up from 1.063p to 1.5p.

Dividend waivers have been received in respect of 3.72m ordinary shares.

● comment

Interim figures from Macdonald Martin look disappointing but the extent of the downturn is masked by the change in year-end and the group's policy of not disclosing interest charges at the half-way stage. The main sales growth has been in the UK, where the group is benefiting from a Bass Charrington link, but most other markets are dull, with margins coming under pressure from the strength of sterling. In May the group arranged a floating-interest loan, of which £4m has been drawn down so far, and this will presumably cause headaches if domestic interest rates remain at a high level. The company is capitalised at around £16.4m, taking "A" and "B" shares together.

Felixstowe Tank earnings slightly up

A marginal decline in taxable profits from £152,816 to £147,683 is shown by Felixstowe Tank Developments, the bulk storage and transport concern, for the first half of 1979. Turnover was £53,089 better at £478,196.

However, after lower tax of £68,360 (£79,464), the net balance was up from £73,352 to £79,328 for earnings per share of 7.93p (7.34p). The net interim dividend is maintained at 2.5p. Last time a 10p final was paid from a record £0.32m.

The company is 80 per cent owned by National Freight Corporation and 20 per cent by the Felixstowe Dock and Railway Company.

Improvement by Drayton Commercial

For the first half of 1979 Drayton Commercial Investment Company reports gross income ahead from £1.28m to £1.57m.

After tax of £460,600 against £388,500 net income improved from £829,700 to £731,600.

The net interim dividend is held at 1.3125p per 25p share. Last year's total payment was 5p. The net asset value per share at June 30 was 172.5p (180p).

Investment Co. near £0.37m

Profits of the Investment Company improved from £330,716 to £366,817 in the year ended March 31, 1979, before tax of £127,389, compared with £121,308.

Save & Prosper Property fund value tops £37m

A CONTINUED good performance is reported by the Save and Prosper Property Fund for the year to May 15, 1979. The value of the fund advanced from £31.5m to £37.3m, and the unit offer price rose by 15.8 per cent.

The property portfolio at the year-end was valued at £30.9m, of which shops represented 55 per cent, offices 28 per cent and industrial investment 17 per cent. The liquidity of the fund amounted to 19 per cent of the total value.

But the managers point out that, with the completion of the Abchurch Lane project in the City of London and the Exeter industrial purchase, liquidity will be reduced to 10.7 per cent and the portfolio split 50 per cent shops, 32 per cent offices and 17 per cent industrials.

The managers say the prospects for the fund remain excellent. Rent reviews are due on 33 of the 61 properties over the next two years, while 84 per cent of the holdings have the benefit of rent reviews at 5-year or 7-year intervals.

They consider that rental income has stood up well to inflation and they expect this to continue, especially in the retail sphere. The strong institutional demand is likely to continue to underpin the property investment market.

Good start by Melody Mills

After reporting a good start to the current year, Mr. W. T. Meigh, chairman of Melody Mills, wallpaper manufacturer, says he is reluctant to make many predictions as to the year-end position. He says much will depend on the amount of money which remains in the household budget after meeting the increased fuel bills, mortgage repayments, etc.

Mr. Meigh says a greater increase in the price of vinyl wallcoverings, compared to wallpaper, is likely as a result of the rising cost of petro-chemicals. However, Mr. Meigh adds that the company's production units have been planned with a great deal of flexibility and can quickly adjust if the market should alter dramatically.

Nova Decor Services saw an increase of 64 per cent in sales to £3.71m, and according to Mr. Meigh, has made a very useful contribution to the group profits, which showed an advance from £507,000 to £826,000, before tax, for the year ended March 31, 1979. He says that Nova continues to make excellent progress.

A fifth depot is planned to be opened in September in the Croydon area. This will take some of the load from the Tottenham depot which has been working to maximum capacity for some time. Other depots will follow as soon as managerial and financial resources are available.

In export markets, particularly Europe, the going has been tough. This is due to the depressed market and very keen competition from domestic manufacturers.

The dividend for 1978-79 is increased to 6p per share (3.243p). For future years it is intended to divide the distribution into an interim and final, payable February and August respectively.

Swan Mill Paper Company has a 40 per cent interest in the Melody equity.

Meeting: Leicester, August 21, at 11 am.

AB Engineering up to £73,000

A second-half turnround from a £25,000 loss to a £30,000 profit, lifted the taxable surplus of Associated British Engineering to £73,000 for the year to March 31, 1979, compared with £44,000 last time. The profit was struck after lower interest of £79,000, against £107,000.

Turnover of the diesel engines group was down from £2.53m to £1.74m. After tax of £38,000 (£10,000), earnings per 12½p share are shown unchanged at 0.2p.

The Board has approved a further payment of six months' arrears of preference dividend, to be paid on August 31.

A. Preedy finishes year little changed at £1.17m

FOLLOWING THE midway fall in taxable profits from £294,534 to £159,747, Alfred Preedy and Sons, wholesale and retail tobacconist, finished the March 31, 1979 year little changed at £1.17m compared with £1.21m previously. Turnover rose some £10 to £64.3m.

Trading profits were down £54,000 at £1.14m, after including £185,000 in respect of the Midland Educational group from December 1, 1978. The new subsidiary contributed £3.3m of turnover to group results.

As a result of continuing difficulties in the newspaper industry, adverse weather, and industrial action which affected Christmas trading in the West Midlands, profits in the second half, excluding Midland Educational, were 8.7 per cent below the same period of 1977-78.

Retail sales of books, greetings cards, confectionery, stationery, news and magazines increased by 25 per cent in the group's shops and stores during the year.

The directors say this planned diversification from the traditional tobacco trade will be accelerated and greatly strengthened by the acquisition of Midland Educational.

Stated earnings per 25p share were reduced from 13.65p to 12.81p, while a net final dividend of 2.6p raises the total payment to 3.35p (2.85p).

After a lower tax charge of £109,000 (£257,000) and minorities, attributable profits improved by £100,000 to £1.06m.

	1978-79 £000	1977-78 £000
Turnover	64,333	54,264
Trading profit	1,140	1,194
Rents received	112	72
Surplus on proprty. sale	70	1
Interest recvble. & invest. income	68	8
Interest payable	215	65
Profit before tax	1,166	1,211
Taxation	109	257
Net profit	1,057	954
Minorities	9	6
Attributable	1,048	948
Dividends	296	276
Retained	752	723

† Less expenses.

● comment

Alfred Preedy has experienced an expected decline in pre-tax profits in the full year figures, but if the profits of Preedy's Midland Education acquisition are stripped out, then the figure is down by about 20 per cent net of interest costs. Midland was a rather expensive acquisition and should be more useful in the long term. Turnover for 1978-79 is up by 18.6 per cent, but the combined impact of a bus strike in the Midlands last winter, dropping margins on tobacco sales, and lagging newspaper sales have lowered Preedy's performance. With the 1978 acquisition of Midland, Preedy hopes to diversify into books, records, art materials and more, and thus improve next year's figures. The total dividend for 1979 is up by 17 per cent, yielding 6.3 per cent at 79p per share (yesterday's price). This is covered nearly four times. The p/e at 79p is 6. Preedy is a solid, but small company, and the coming Christmas market could make it a worthwhile share to hold, though the earnings ratio is not far different from its competitors.

Edinburgh American Assets lower

The Edinburgh American Assets Trust reports pre-tax revenue down from £233,000 to £209,000 in the first six months of 1979. The amount available for ordinary holders is £114,000 against £120,000, equivalent to 0.31p (0.32p).

Net assets per share after prior charges, amounted to 74.3p against 80p and 87.5p (78.4p) assuming full loan stock conversion.

The investment portfolio is concentrated in small and medium size growth companies with 64 per cent of the assets invested in North America.

Despite the fact that this portfolio performed well during the last six months—having risen 18 per cent in local currency terms—the decline in the dollar premium combined with the strength of sterling more than offset this performance, resulting in the decline in net asset value.

The directors believe that it is in the long term interests of shareholders to maintain a position in North American growth stocks but are examining alternatives for reducing exposure to currency risks.

The trust's income, while of much less significance to a growth-of-capital trust, has similarly been affected by the decline of the dollar which has offset the benefit of rising dividends resulting in the slight fall in earnings.

Franked revenue was £105,000 against £122,000 while unfranked was £539,000 compared with £540,000. Interest and expenses totalled £436,000 (£440,000) and tax took £87,000 against £105,000.

During the six months the back-to-back loan with Seagram Distillers matured, resulting in the repayment of $5.5m and the receipt of £3.5m. A $5m loan was negotiated with the Bank of Scotland of which $2.5m has been drawn down.

The balance sheet figures reflect a change of accounting policy, as a result of which the investment currency premium has been added both to overseas assets and to overseas liabilities. This does not affect the calculation of the net assets value. The 1978 comparative figures have been adjusted to reflect this change.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: City Offices, Colonial Securities Trust, Drayton Premier Investment Trust, Grindlays Holdings, Lex Service, J. Pratt Engineering, Taylor Woodrow, Yarrow.

Finals: Cablelorm, Hillards.

FUTURE DATES

Interims—

Automotive Products	Aug. 2
Beaumont Properties	Aug. 2
Carrington Viyella	Aug. 9
Lyon	Aug. 7
Guardian Royal Exchange	Aug. 1
Ratcliffe (Great Bridge)	Aug. 8
Renown Inc.	Aug. 6
River and Mercantile	Aug. 2
River Plate & General Inv. Tst.	Aug. 2
Sale Tilney	Sept. 13

Finals—

Black (Peter)	Aug. 2
Cowan de Groot	Aug. 2
Helical Properties	Aug. 2
Helical Bar	Aug. 1
Jackson (William)	Aug. 10
Norton (W. E.)	Aug. 2

A. Monk expects private sales to offset fall in public sector

A Monk and Co. is confident that the loss in turnover in the public sector—as a result of the Government's spending cuts—can be replaced by further work for private industry.

Mr. W. S. Whittingham, chairman of the civil engineering and building group, says in his annual statement that the company has a very healthy order book at present. New contracts obtained since March 1 are valued at £34m, compared with £19m at the same stage last year.

The new branch office in Stirling is expanding its activities and should provide an increasing contribution to trading profits in the future, the chairman says. Arrangements are under way to increase the work-load in the south of England to increase the work-load of the two branch offices in that area.

The Board has decided to dispose of the company's interest in Petra-Monk, of Nigeria, and no more financial assistance will be provided. Full provision of £2.35m has been made for the guarantee given to Standard Bank Nigeria for the Nigerian company's bank borrowing.

The chairman explains that the Nigerian Federal Ministry of Works made a "very small offer" in full and final settlement of a major road contract undertaken by Petra-Monk. This company accepted the offer, although the chairman believes it was "substantially below the amount to which Petra-Monk was entitled."

The Ministry of Works' decision meant that further construction work could be carried out in Nigeria "only by the injection of significant financial assistance from the parent company without any reasonable prospect of recovery of such costs in the future."

As a result of the end of the Nigerian association, the company's efforts can be concentrated on the UK operations, the chairman says. And the Board is carrying out a review of the organisation and is in the process of reorganising the company's activities into appropriate profit centres. This will provide more effective cost control, eliminate unprofitable operations, and encourage employee initiative.

The chairman adds that, while this development is planned for completion by March 1981, its benefits should begin to appear in the current year's trading results.

The adverse trading position of DMJ and its associates is being eliminated, and they are expected to be operating profitably by the year-end. In December, an asset deficiency in these subsidiaries was reported. This is being quantified and legal proceedings have started claiming damages for the losses suffered.

As reported on July 4, taxable profits reached £3.48m (£2.73m) in the year to February 28, 1979, on turnover £6m higher at £72m. The net total dividend is held at 3.5085p with a 2.5085p final.

SMITHS INDUSTRIES

The aviation division of Smiths Industries is to change its name on August 6 to become the group's aerospace and defence systems company.

The change of name reflects more accurately the expanding high technology markets and broader operations of the company's UK-based aviation business, the directors say.

CU South Africa profit down midway

On new premiums written of R18.31m compared with R15.02m, the Commercial Union Assurance Company of South Africa reports a *pre-tax profit of R2.99m for* the six months to June 30, 1979 against R3.41m in the same period last year.

The directors say in their interim report that because of the uncertain nature of short-term insurance, first half results *should not be taken as indicative* of the likely result for the full year.

The group, which gained a Johannesburg quotation in April, is now owned as to 45 per cent by its British parent and 30 per cent by Gold Fields of South Africa.

An interim dividend of 8 cents is declared—a 20 per cent total was forecast in the prospectus and there is little doubt among Johannesburg analysts that the dividend target will be met.

The volatility of the short-term *insurance market is underlined* by first half underwriting profit of the group falling to R1.54m from R2.11m, though this was partly offset by an investment income rise from R1.45m to R1.7m.

هكذا من الأحول

UK COMPANY NEWS

BIDS AND DEALS

BTR has doubts about Bestobell's forecast

BY ANDREW FISHER

BTR fired off a further salvo yesterday in its battle to acquire Bestobell, questioning the latter's latest profit forecast and urging its shareholders to accept the £56m offer.

The company expressed scepticism about the ability of Bestobell to achieve the 30 per cent pre-tax profits increase to £6.3m forecast for this year by Mr. Sandy Marshall, the new Bestobell chairman, in last week's document rejecting the bid.

In a letter to Bestobell shareholders, Sir David Nicolson, the BTR chairman, and Mr. Owen Green, the managing director, noted that the accompanying dividend forecast meant a rise of only 12.4 per cent in equivalent gross terms, far less than the predicted profits rise.

"This disparity does little to confirm confidence in the attainment of the profit forecast," they added.

The BTR document brought a swift reaction from the Bestobell board, which said it "rejects the innuendoes and does not agree with various arithmetic computations in the BTR letter," and continues to recommend rejection.

Shares of both companies declined yesterday, with Bestobell down 2p to 210p—the BTR offer is worth 200p—and BTR slipping 10p to 304p.

BTR stressed in yesterday's letter that its offer valued the shares of Bestobell at around 12 times earnings, fully taxed, based on 1978 profits.

Mr. Green would make no comment on the possibility of BTR raising its offer. BTR's letter said that the latest Bestobell statement contained nothing "which changes our view that the offer we have made is generous."

BTR, whose activities span rubber, plastics and engineering, has acquired some 2.6 per cent of the shares of Bestobell, and its offer closes Thursday, August 2.

The fact that Bestobell's current share price was above the 200p value of BTR's offer "speaks for itself," Mr. Marshall said. After a "bumpy start to the year," he added, the fluid engineering and insulation company was confident of achieving its profits forecast—"we stand by it."

Pointing out the static nature of Bestobell's profits over the past five years, fluctuating between £5.7m and £4.6m, BTR said that Bestobell had left out certain qualifying remarks from last week's letter.

These referred to generally disturbed UK conditions and had been included in the 1978 report and accounts.

"Consider whether trading conditions in the UK have improved so much in the past 11 weeks that your board now feel confident to predict a 30 per cent increase in profits," it asked.

Mr. Green said last night: "I find it inexplicable that conditions and qualifications can be eliminated. We just don't share their view that the forecast will be attained. What about half-year figures?"

He described the recent pledge of support to Bestobell from Britannic Assurance, which owns 10 per cent of the shares, as "not insurmountable."

In its letter, BTR said that allowing for the proposed dividend, its ordinary share offer still provided for an increase in income of 40 per cent, while the cash alternative would provide 59 per cent. It also questioned whether a "reshuffled management" could now suddenly improve the fortunes of Bestobell.

Thorn lifts stake in Systron

Thorn Electrical Industries has now bought just under 42 per cent of the shares in Systron-Donner Corporation of the U.S. and may buy more in its bid to acquire the California company.

Thorn's U.S. subsidiary, Thorn Electrical Industries (U.S.A.), Incorporated, said that Systron had tentatively set August 6 as the date for a shareholders' meeting to consider its $15 per share offer.

Systron makes test and measurement equipment, as well as fire protection services and components.

HELENE BUYING 50% OF CLOBBER

Helene of London has entered into a conditional contract to acquire 50 per cent of the issued share capital of Clobber Knitting, a manufacturer of women's clothing for the teenage market. The total consideration will be in cash equivalent to 4½ times Clobber's average annual after tax profits for the 10 years from July 1, 1979 to June 30, 1989. A payment of £100,000 on account will be payable on completion and interim payments at the 3rd, 7th and 10th years.

The vendor, Mr. Anthony Hanley, is to continue to manage the business and will enter into a ten-year service agreement with Clobber. He has warranted that the net assets of Clobber are not less than £100,000. Completion of the purchase is conditional upon a satisfactory report in respect of Clobber being received from Helene's auditors.

STEWART & WIGHT

Mr. Michael Conn, his wife, and Country and Commercial Property Investments, in which they both have an interest, now own a total of 63.3 per cent of ordinary shares in Stewart and Wight, the baking and catering concern of which Mr. Conn is also a director.

Mr. Conn himself holds 15,916 ordinary shares, or 33 per cent, while Mrs. H. R. Conn has 11,945 ordinary shares (24.8 per cent) and 2,400 preference shares, or 6.86 per cent. Country and Commercial has 2,637 ordinary, or 5.5 per cent, and 26,340 preference (75.5 per cent).

At the end of May, Mr. Conn said he had sent shareholders his share offer, which was forced by earlier purchases bringing the holdings of himself and associates to over 30 per cent. He said then, though, that he wished to retain the company's listing.

EDITH NEW SHARES LISTED

The Council of the Stock Exchange has granted listing for 90,225 new 25p shares of Estate Duties Investment Trust credited as fully paid.

The new shares rank pari passu with the existing shares of EDITH and following this issue the total share capital is now £19.67m.

The new shares were issued in part consideration for the acquisition of cumulative participating preference shares in E. M. Denny (Holdings), producer of bacon and other meat products in the UK and Eire. The purchase of shares was made jointly with ICFC and County Bank.

HARRIS/HARDY

Following the successful £23.5m bid from Harris Queensway, Mr. Edward Datnow has, as expected, resigned as chairman. His brother, Mr. Arthur Datnow, and Mr. R. J. E. Slotover, a non-executive director, have also stepped down from the board.

Mr. P. C. Harris, chairman of Harris Queensway, has been appointed as the new chairman of Hardy. Mr. H. Sykes, also a Harris director, becomes deputy chairman of Hardy. Mr. A. Behar has been appointed managing director, while Mr. I. Horwood and Mr. L. S. Kanaber are also appointed directors of Hardy.

CONTROL SECS. UPS STAKE IN SECOND CITY PROPERTIES

Control Securities, which is slightly more than 50 per cent owned by Labofund AG (Switzerland), has stepped up its holding in Second City Properties to 8.2 per cent.

The rise in its holding was effected through two separate deals involving 195,000 and 205,000 shares at the market price of around 56p.

"We regard it as a very good investment," commented Mr. Norman Aronsohn, the deputy chairman of Control Securities. "At this stage, we certainly do not have a bid in mind." Control's interest in Second City dates from last November when it bought a 5 per cent holding.

STEETLEY'S FIRST U.S. INVESTMENT

Steetley Company's Canadian subsidiary, Steetley Industries, which is active in minerals and in industrial and electrical distribution, has acquired the assets of the National Gypsum Company's dolomitic lime plant in Gibsonburg, Ohio. The cost of the acquisition and of the additional plant that will be introduced to the operation will be approximately US$2.25m. It is Steetley's first investment in the U.S.

CHARTERHALL

The reorganisation of CCP North Sea Associates, in which Charterhall held 40 per cent of the equity, has been completed following the sanction of the High Court.

Charterhall will now receive all its entitlement to income from the Buchan Field directly and will therefore have funds available for its further development which the board will employ mainly in the energy field. It also intends to commence dividend payments out of this income at the appropriate time.

Three directors of Charterhall have resigned from the board of CCP.

ASSOCIATES DEAL

J. Henry Schroder Wagg and Company sold 175,000 Dunlop ordinary at 61p on July 27 on behalf of associates discretionary investment clients.

SHARE STAKES

Record Ridgway — Barclays nominees (M and G Group) have increased holding to 1.11m shares (9.84 per cent).

Edinburgh Ice Rink—Paisley Ice Rink has acquired further 10,527 shares. When added to Mr. Glasgow's personal holdings and those of Glasgow Tullis Enterprises and Scottish Ice Rink (1928), which he also controls, this brings his controlling interest to 35.12 per cent.

Thomas Robinson and Son—Outwich Inv. Tst. now holds 0.4m shares, 10 per cent.

Churchbury Estates—Abingdon Investment Company, subsidiary of London Trust, has bought 40,000 shares making, with London Trust's holding, a total of 0.37m (23.13 per cent).

Norfolk Capital Group — Mr. D. L. James, director, has sold 0.3m (1.58 per cent) at 49p, leaving his and his family's beneficial holding 927,777 shares (4.89 per cent).

Braham Millar Group—Costain Group has acquired a further 50,000 shares and now holds 795,000 (8.32 per cent).

Electronic Machine Company—J. P. Lobbenberg has acquired 95,000 shares making holding 0.57m shares (23.52 per cent).

Barrow Hepburn Group—Caparo Group has acquired 135,000 shares and now holds 6.16m shares (25.44 per cent).

Rowlinson Constructions Group—F. J. Rowlinson, director, disposed of 50,000 shares at 40 11-32p on July 12 and now holds 2,470,832 (19.78 per cent).

Arbuthnot Latham Holdings—London Trust [illegible] London Trust Company has acquired further 100,000 shares increasing holding to 900,000 (12.5 per cent).

D. F. BEVAN (HOLDINGS) LIMITED

PRELIMINARY RESULTS

Year ended 31st March	1979 £000	1978 £000
Turnover	12,562	7,681
Profit before tax	550	301
Taxation	225	143
Extraordinary items	(24)	96
Profit after tax and extraordinary items	301	254
Earnings per 5p share (basic)	5.9p	4.02p
Dividend per 5p share	1.7p	1.35117p

The Directors are recommending a 1-for-5 Bonus Issue to shareholders on the Register of Members on the 28th August, 1979.

Activities:—
Non-ferrous trading
Ferrous and non-ferrous casting
Sanitary & bathroom fittings manufacturers
Commodity broking
Steel Stockholding and Processing

MINING NEWS

Saskatchewan to acquire 20% of Cluff Lake

BY KENNETH MARSTON, MINING EDITOR

THE GOVERNMENT of Saskatchewan, via its Saskatchewan Mining Development Corporation, has agreed in principle to pay C$66.9m (£24.7m) for a 20 per cent stake in the Cluff Lake uranium project in northern Saskatchewan, reports John Soganich from Toronto.

The Cluff Lake venture is scheduled to be brought to production by the French Amok group in 1981. Its likely cost has been put in the region of C$160m.

If Saskatchewan's purchase goes through it will result in "early experience in a producing mine, as well as providing SMDC with an opportunity to acquire a diversity of supply which will enable SMDC to offer consuming utilities a greater source of supply," according to the Crown agency.

Amok appears pleased: "We feel this arrangement is important in ensuring that a healthy climate of mutual respect be maintained, particularly in the light of the socio-economic implication of any major development in Northern Saskatchewan such as the Cluff Lake project."

It has been no easy road for the Amok group. Production at Cluff Lake, one of the world's richest uranium orebodies, was originally planned to start this year at an annual rate of about 4m lb of uranium oxide.

But after some C$31m had been spent on the project work was suspended at the beginning of 1977 pending the outcome of a Sackachewan Government inquiry into uranium mining.

Environmental considerations seemed to be a stumbling block in view of the health hazards involved in mining ore which graded up to as much as 27 per cent uranium. However, the inquiry, under Mr. Justice Bayda, recommended that mining be allowed to proceed subject to stringent safeguards against the radiation risks.

ROUND-UP

The Yukon lead-zinc-silver producer, Cyprus Anvil Mining has achieved first half 1979 earnings of C$24.6m (£9.1m), or C$3.22 per share, thanks to the higher metal prices. In the same period of last year there was a loss of C$4.5m.

* * *

Canada's Teck Corporation plans to include its 65 per cent-owned Iso Mines as a participant in the merger proposal already announced between Teck and Highmont Mining Corporation. Iso holders would have the option of receiving either C$3 cash per share or one class "B" Teck share for every five Iso shares. Iso's main asset is 25 per cent of Afton Mines; a further 50 per cent in the latter is held by Teck.

Record profit at Freeport

RECORD earnings of $27.4m (£11.8m) for the second quarter are reported by America's Freeport Minerals. They bring the first half total to $47.6m, equal to $2.27 per share, compared with $14.7m in the same period of last year.

The president, Mr. Paul W. Douglas, says that all sectors of the resource company's operations did well in the past quarter. World demand and prices for the agricultural minerals continued to improve, notably sulphur which became in short supply as a result of production difficulties at other companies.

Progress on the group's big Ertsberg East copper development in Indonesia continues on schedule and within budget. Formal initiation of the project now awaits the approval of final implementation details by the Indonesian Government.

Profits leap at Lornex

Another Canadian base-metal producer to announce earnings boosted by higher metal prices and gains in foreign exchange is Lornex Mining, the British Columbia producer of copper and molybdenum. Lornex is 68.1 per cent owned by Rio Algom and 21 per cent owned by Teck Corporation.

Net earnings in the six months ended June 30 rose to C$15.83m (£5.85m) or C$1.91 per share (70.5p) compared with C$4.48m or 54 cents a share in the same period in 1978.

A 4 per cent fall in copper production reflected lower mill head grades. The average daily milling rate rose to 47,440 tons per operating day from 46,857 tons per day last year.

Plans for the possible expansion of the mine are being evaluated in detail; in April the company stated that the orebody could support an expansion of up to 50 per cent and still have a remaining life of over 20 years.

Hudbay's good second quarter

SECOND-QUARTER earnings of C$14.5m (£5.4m) are reported by the Anglo American Corporation group's Canadian Hudson Bay Mining and Smelting. They make a half-year total of C$17.8m, or C$1.77 per share, compared with only C$2.72m in the same period of 1978. A further quarterly dividend of 20 cents is declared.

As with other transatlantic producers of base metals, Hudbay has enjoyed higher metal prices. In addition, "consistently satisfactory" earnings are reported from the petroleum and industrial sectors with a seasonally high contribution from the fertiliser division.

Hudbay adds that the feasibility of merging the Francana Oil and Gas subsidiary with Canadian Merrill is still being studied and that an announcement will be made in the near future.

Construction Hldgs. opts for trust status

In the face of dwindling returns from its consulting and engineering activities, Construction Holdings has decided to opt for investment trust status.

The move, to be proposed to shareholders shortly, will give the company a lower capital gains tax liability and also secure its dividend freedom in the case of a return to controls.

The consulting and engineering activities of the company will thus be closed down from September 30. Mr. John Hanham, chairman, said the engineering side was still causing substantial problems, with practically all of CH's income coming from investments last year.

"We are trying to get the maximum benefit from the present situation," he commented. Most of the investments of the company, of which around 40 per cent is owned by directors' and family interests, are in UK equities, mainly small companies.

Mr. Hanham added that the problems on the consulting and engineering side had been general, in view of its concentration on the iron and steel sector, as well as internal, though he did not elaborate.

In the last full year for which figures are available—to June 30, 1978—turnover dropped from £449,000 to £185,000; pre-tax profits rose from £231,000 to £282,000, including a surplus on realisation of investments of £157,000 against £43,000.

61 companies wound up

Orders for the compulsory winding up of 61 companies were made by Mr. Justice Slade in the High Court. They were: Tobago Engineers, Boston Egg Packers, Peter Kell Kitchen Design Centre, Essential Engine Design Developments, Freeman and Crawford.

Solvmore, Pleabrook, The Holiday Study Centre, Sandy Haven Development and Construction Company, West Park Building Company, Vervhurst Transport.

Lawson Shipping (Colchester), J. F. Cannon, Monro Coachworks, Localwise, Atlantic Swiss Watch Company, Ellis and Company Building Services.

Forgeweld, Permalite Road Signs, Trackrail Properties, Jupiter Leatherwear, The Richmond Instrument Company, Quality Builders (Watford).

Aberfoyle Electronics, Junaban Construction, Lignacs Freight, Western Oil Buoy Maintenance, Chadfield Direct Marketing.

Len Neves, Tidehart, Grasse Ecole de Francais, Casas Senoriales (UK), D. J. O'Donovan and Sons.

Powertrend, T.E.R. Televisions (Cardiff), J. H. Ely, Britrim Investment Company.

Burke and Roberts, Murfet Slater, Nina Panel Couture, Oakhurst Finance.

Eats 'n' Treats, E. and B. Warehouse, Hidalgo Investment Company, I P Estates (Regency Square), J. W. Greenish, Spearwell Properties.

James Wootton (Drywall), Verminster, Tangerine Designs, Tyndridge Construction (Lingfield).

Stylos Management Services, Mellowcourt, Legion Publishing, The Aquila Publishing Company.

Carlos Bohorquez, David Reef (Sports), Fieldbell, Shuji Tojo, Silhouette Film Productions, Solezone.

Scotcros confident

Trading results of Scotcros for the year so far, justified the directors' confidence that the group could build on last year's profits of £1.45m, Mr. W. R. Alexander, chairman, told the annual general meeting.

He stated that with the backing of funds raised by the recent successful rights issue, the Board was continuing with its policy of expansion by organic growth, with capital investments programmes in both the UK and France.

British Vending ahead

With turnover ahead from £8.34 to £9.29m for the first half of 1979, pre-tax profits of British Vending Industries improved from a depressed £169,781 to £286,484. After tax of £100,000, against £43,000, the net balance emerged £59,703 better at £186,484.

First half earnings per 10p share advanced from 1.49p to 2.19p and to bring the group's dividend policy up to date an interim payment of 0.7p net is being made. Last year there was a single dividend of 0.5737p from profits of £404,000.

Cardinal Investment advances

Franked income of Cardinal Investment Trust rose from £303,772 to £331,929 and unfranked from £313,477 to £318,379 in the first half of 1979.

Revenue before tax increased from £403,589 to £483,291. After tax of £186,501 (£156,529) net revenue came out at £296,790 (£247,060).

The pre-tax figure is after including other income of £70,102 (£41,522) and taking out management expenses £69,816 (£65,006) and interest of £167,303 (£190,176).

To reduce disparity with the final — last year was 2.1375p adjusted — the net interim dividend is effectively raised from 1.2375p to 1.5p at a cost of £212,917 (£173,521).

The net asset value per 25p deferred share at June 30 was 125.6p (117.1p at December 31, 1978).

A sterling loan of £1m from Manufacturers Hanover Trust was repaid on January 24, 1979 and a multi-currency loan of A$1.5m was drawn from the same company on March 13.

RESULTS AND ACCOUNTS IN BRIEF

MAY AND HASSELL (timber importer)—Results for the year to March 31, 1979, reported July 10 with observations on prospects. Group fixed assets £10.72m (£10.73m). Net current assets £9.98m (£10.64m). Meeting, Bristol, on August 17, at noon.

MELDRUM INVESTMENT TRUST—Gross revenue for half-year to June 30, 1979, £432,443 (£404,756). Tax £132,559 (£134,510). Available £267,301 (£239,045). Earnings per 25p share 1.35p (1.18p). Net asset value 69.2p (60.7p). Interim dividend of 1p (0.75p) already announced, absorbing £201,600 (£151,200). Final of 1.4p (1.35p) forecast.

EDINBURGH AMERICAN ASSETS TRUST — Pre-tax profit for six months to June 30, 1979, £209,000 (£233,000). Tax £87,000 (£105,000). Earnings per share 0.31p (0.32p). Comparisons adjusted. Net asset value 67.5p.

WYNDHAM ENGINEERING GROUP—Turnover for year to March 31, 1979 £234,501 (£232,989). Profit after all charges including tax £8,448 (£8,561). Tax £5,826 (£3,938). Earnings per share 1.408p (1.09p). Dividend 1.64p (same).

UPDOWN INVESTMENT COMPANY—Available for Ordinary £32,222 (£24,422) after tax of £15,171 (£26,214) for half-year to June 30, 1979. NAV per share 74.2p (64.5p).

ROBERT MOSS (manufacturer of plastic mouldings)—Results for the year to March 31, 1979, reported already, with observations on prospects. Fixed assets £1.15m (£0.99m). Net current assets £611,538 (£502,910).

H. P. BULMER (cider maker)—Results for year to April 27, 1979, with full preliminary statement, reported July 12. Fixed assets £15.64m (£14.86m). Net current assets £7.37m (£8.04m). Total shareholders' funds £22.59m (£21.27m). Meeting, Green Dragon Hotel, Hereford, September 6, at 2.30 pm.

SUNGEI KRIAN RUBBER ESTATE—Rubber profit for 1978 £77,345 (£105,729): Oil palms £471,347 (£505,449): dividends and interest £152,047 (£140,617): Total profit £700,739 (£751,795); profit sale of investments £54,831 (£47,004); tax £398,269 (£430,909); Dividend £156,821 (£156,821): general reserve nil (£30,000): Retained £210,480 (£181,069).

BRADWALL (FMS) RUBBER ESTATE—Turnover for 1978 £1.36m (£1.33m). Agricultural profit £326,298 (£876,184). Dividends and interest £184,085 (£185,026); Surplus sale of investments £6,198 (£63,177): Total profit £516,581 (£624,387): Less replanting expenditure £25,588 (£40,344): Tax including ACT requirements £268,022 (£319,115). Dividends £233,090 (£233,090): Tax adjustment previous year £21,541 (£27,865). Retained £11,422 (£59,503).

BRIDGEND PROCESSES — Income for 1978 £274,424 (£296,195). Pre-tax loss £93,716 (profit £8,200). Tax £21,702 (£23,297). Loss per share 0.34p (£0.07p).

GREENFRIAR INVESTMENT COMPANY — Gross income for six months to June 30, 1979, £152,727 (£139,252), interest charges and expenses £83,664 (£76,700). UK tax £26,479 (£24,043). Earnings per share 1.06p (0.96p). Net assets per share 132.9p (129.4p). Valuation of investments £5,771,444 (£5,853,214). Net assets per share 132.5p (145.2p) at March 31, 1979.

Celestion sees further growth

Worldwide conditions for the sale of high fidelity equipment show no signs of improving from the poor level seen in 1978-1979, says Mr. D. D. Prenn, chairman of Celestion Industries. However, he is confident that the group, where profit from the clothing side last time more than offset a decline in sound reproduction business, will achieve further profit growth in the current year.

The company is currently proposing to make a three-for-one scrip issue followed by consolidation of every four 5p shares into one 20p share.

Sales by the clothing division are expected to exceed last year's £23.8m, with Celestion Textiles, Wood Bastow and Andrew Baron concentrating on supplying Marks and Spencer and Bonsoir and Slix engaged in developing their brand business.

Pre-tax profit for the year to March 31, 1979, emerged ahead to £1.31m (£1.18m) on total sales up from £20.03m to £32.45m. As reported July 6, the net dividend is stepped up to 1p (0.75p).

Bank overdraft was cut by £3m to £3.27m with only £1m coming from realising investments, Mr. Prenn points out. Overall borrowings were down from £7.06m to £4.08m and the company hopes to further reduce its dependence on short-term finance during the coming year by continuing close financial control.

Direct exports were hit by fluctuations in the strength of the pound and finished some £0.3m higher at £5.35m. A breakdown of turnover shows in percentages UK 80 (71), rest of Europe 14 (20.4), North America 3 (3.8) and elsewhere 3 (4.8).

Celestion's three overseas distributing companies in France, Germany and the U.S. produced an overall profit but there was a currency loss of some £135,000 in the UK manufacturing company. Steps are being taken to find appropriate methods to deal with this problem without damaging the group's long-term export markets, the chairman explains.

Mr. Prenn says the results for the past two years should not be compared too closely because of the merger with Wood Bastow in November 1977.

Of the merger he says: "No one really expected an instantaneous changeover from loss to profit-making," and adds that the group was able to meet virtually all the quality and quantity requirement of its main customer, Marks and Spencer.

Meeting, Brown's Hotel, W, on September 10 at noon.

Royal London raises bonus

The Royal London Mutual Insurance Society is improving its rate of special final bonus payable on with-profit contracts when they become claims as from August 1, 1979.

The new rate, applicable to both the ordinary and the industrial branch, will now be £1.80 per cent of the sum assured and attaching bonuses, for each qualifying year prior to 1976 with a maximum of £61.20 per cent. The previous rate was £1.50 per cent with a maximum of £60 per cent.

Half-Yearly Statement

London and Manchester Assurance Group

The Group's premium income and new business figures for the half-year ended 30th June 1979 were as follows (*the corresponding figures for the six months to 30th June 1978 are shown in brackets*):

1 PREMIUM INCOME		
London and Manchester Assurance		
Ordinary Branch	£000's	£000's
Premium Income and Annuity Considerations	6,974	(6,515)
Investment Trust Retirement Annuities: Single Premiums	32	(46)
Industrial Branch		
Premium Income	8,631*	(7,089)
General Branch		
Premium Income	2,056	(1,717)
All risks of the General Branch are wholly reinsured.		
Welfare Insurance		
Ordinary Branch		
Premium Income and Annuity Considerations	6,352	(5,420)

* This amount includes Life Assurance Premium Relief received under the new legislation introduced on 5th April 1979 and therefore is not comparable with 1978.

2 NEW BUSINESS FIGURES		
Ordinary Branch		
Life and Group Life—		
Annual Premiums	2,239	(2,147)
Single Premiums	363	(237)
together providing sums assured of	135,040	(172,060)
Pensions and Annuities—		
Annual Premiums	611	(487)
Single Premiums	377	(235)
Single Premiums for Investment Trust Retirement Annuities	32	(46)
Miscellaneous Single Premiums	45	(25)
Industrial Branch		
Annual Premiums	2,388	(1,789)
providing sums assured of	32,777	(23,668)

The new business figures are net of reassurances.

It is emphasised that the new business figures at the half-year do not necessarily provide a reliable guide to those for the full year.

The Ordinary Branch figures include new business from both London and Manchester Assurance and Welfare Insurance.

All Annual Premium figures shown are gross of LAPR, where appropriate.

London and Manchester Assurance Company Limited

The Nottingham Manufacturing Company, Limited

INTERIM REPORT

Group results (unaudited) for the six months ended 30 June 1979 are as follows:—

	6 months 1979	6 months 1978	Year 1978
Turnover	£71,286,000	£62,265,000	£146,200,000
Profit on Trading	£4,795,000	£4,354,000	£14,008,000
Investment Income	£1,583,000	£969,000	£2,087,000
	£6,378,000	£5,323,000	£16,095,000
Less: Interest on 6½% Convertible Unsecured Loan Stock 1993/98	£328,000	£345,000	£690,000
Profit before Taxation	£6,050,000	£4,978,000	£15,405,000
Profit after Taxation (see note)	£4,235,000	£3,485,000	£10,922,000

Note: Taxation has been charged in respect of the first half of 1979 at the estimated rate chargeable for the year.

Turnover and profit for the first six months of the year are normally, due to seasonal factors, less than those of the second six months.

The Directors propose to recommend, at a Meeting to be held on 4 September 1979, a capitalisation issue of one new Ordinary share for each three presently held.

The Directors have further declared that, subject to shareholder approval of the proposed capitalisation issue, an Interim Dividend of 4% be paid on the increased capital on the 3 December 1979; the Interim Dividend compares with an Interim Dividend for 1978 (adjusted for the proposed capitalisation issue) of 3%.

In the absence of unforeseen circumstances, it would be the Directors' intention to recommend a Final Dividend for 1979 on the increased capital at a rate no less than that paid as a Final Dividend for 1978.

A proposal to introduce an Executive Share Option Scheme will be made at the Meeting of Shareholders to be held on 4 September 1979.

30 July 1979

NORTH AMERICAN NEWS

Sohio plans $105m share repurchase

By David Lascelles in New York

STANDARD OIL of Ohio (Sohio), BP's U.S. subsidiary, has offered to buy 1.7m of its shares at a price of $61.50 each. The offer, which extends to August 6, will cost Sohio about $105m, and is part of the company's strategy to improve the range of its oil and gas holdings.

The amount of shares being bought represents 1.4 per cent of the outstanding equity or 3.0 per cent of BP's 52.2 per cent holding is excluded.

According to an announcement from the Cleveland-based company, the repurchase is being made to facilitate the previously announced acquisition of a couple of companies whose principal assets are 1.5m of undeveloped oil and gas exploration acres in the Rocky Mountain area of the U.S.

One is Webb Resources, based in Denver, Colorado, which owns proven oil and gas reserves in the U.S. and Canada, an interest in a gold mine in Nevada, and further exploration holdings overseas and in Canada.

The other is Newco Exploration Company, a closely-held company associated with Webb, and also based in Denver. Both companies are to be merged into the same subsidiary.

Strong earnings increase at Texas Instruments

BY OUR FINANCIAL STAFF

TEXAS INSTRUMENTS, the Dallas-based electronics company, announced a sharp rise in profits in the second quarter, which it ascribes to gains in *semiconductor profitability*. Net earnings jumped by 30 per cent over the quarter to $44.6m, or from $1.50 to $1.95 a share. At $784.2m, sales were 28 per cent higher.

This brings the first half earnings total to $82.8m, a gain of 27 per cent. Share earnings have climbed from $2.85 to $3.63 a share, while sales of $1.5bn compare with $1.2bn previously.

The company said its first half backlog was $1.66bn, up $492m from a year ago and up $96m from the end of the first quarter.

Texas Instruments considered that despite near term general economic uncertainties, the longer term growth outlook is excellent for the world electronics market.

Second quarter pre-tax income as a percentage of net sales billed, was 10.2 per cent, unchanged from the 1978 second quarter. But operating profits increased 10.5 per cent versus 10.2 per cent a year ago.

Interest expense increased in the quarter due to higher interest rates and additional borrowings in the form of short-term bank loans and commercial paper, the company said.

Interest income declined as it drew down cash balances to support growth.

Customer acceptance of 64K-BIT Dynamic Ram random access memory products has been excellent.

Production was substantially increased in the second quarter over the first quarter for both 16K-BIT and 32K-BIT products.

Bid to adjourn Bodcaw meeting

BY OUR NEW YORK STAFF

A HEATED meeting is expected today when shareholders in Bodcaw, a little-known but highly prized wood products company, meet in Dalals, Texas, to consider rival takeover bids from two giants in the wood and paper industries.

International Paper has bid $610m and Weyerhaeuser $695m for Bodcaw, which has only a handful of shareholders and only about 250,000 shares outstanding.

International's bid is the only one officially on the table. However, Weyerhaeuser was an earlier bidder, having edged out Mobil, the oil company which started the bidding with a $510m offering in the Spring. Weyerhaeuser has sweetened its bid, only to be twice rebuffed by the Bodcaw Board, which has now recommended acceptaance of the International Paper offer.

However, Weyerhaeuser says it will propose an adjournment of today's meeting to allow shareholders more time to consider the competing bids. At the weekend, a Bodcaw shareholder from Arkansas tried unsuccessfully to get a judge to postpone today's meeting for similar reasons.

The *Bodcaw Board* favours the International Paper offer because its terms make it a tax-free bid, worth effectively $700m, topping the Weyerhaeuser bid.

Higher dividend by Consd. Bathurst

By Robert Gibbens in Montreal

CONSOLIDATED Bathurst, the eastern Canada pulp and paper, lumber and packing materials group controlled by Power Corporation of Canada, is raising its quarterly dividend to 25 cents a share, and has declared a 5 cents extra dividend. Associated Newspapers of the UK holds around 12 per cent of the equity.

In line with other companies in the pulp and paper industry with major export markets in the U.S. and Europe, second-quarter earnings were nearly doubled, at C$24m, or C$1.05 a share, against C$13.2m, or 58 cents a year earlier. Sales totalled C$302.8m, against C$258.4m.

First-half earnings were C$42.7m, or C$1.85 a share, compared with C$18.4m, or 80 cents, on sales of C$582.1m, up from C$492m.

Higher earnings reflected higher volumes and higher prices and exchange gains from exports, mainly of newsprint and lumber.

Growth at Du Pont Canada

By Our Montreal Correspondent

AN UPSURGE in demand, due to the fall in the Canadian dollar, in both domestic and export markets, boosted profits at Du Pont Canada, the major chemicals and fibre group. First-half earnings were C$22.1m or C$2.79 a share, against C$6.4m or 80 cents a share a year earlier. Sales were C$417m compared with C$312m. Much of the strength came in polyethylene resins, woven polyolefin fabrics, and nylons for carpet and industrial markets.

Though demand remains buoyant, the company says that signs point to slower business in the second half.

Second quarter earnings came to C$13.19m or C$1.67 a share on sales of C$223.5m compared with C$4.3m or 54 cents a share on sales of C$167.8m in the same quarter of 1978.

Upsurge in second quarter for McDonnell Douglas

BY OUR FINANCIAL STAFF

IMPROVED SALES volume, higher interest income and a lower effective tax rate were the main factors behind the 51 per cent jump in second quarter net earnings to $52.9m at McDonnell Douglas, the U.S. aircraft manufacturer.

Sales for the three months to June 30 were $1.28bn compared with $973.8m in the corresponding period last year. The figures took net profit for the first six months to $98.3m against $74.6m a year ago and sales totalled $2.64bn against $1.96bn.

The company said that its firm backlog of orders had a value of $6.46bn against $5.3bn at this time last year, and that 43 per cent of the total was for its commercial aircraft.

In the second quarter (a period which saw the crash of a DC-10 at *Chicago airport*) the company delivered eight DC-10s compared with only three in the second quarter of 1978. It said that a further three, scheduled for delivery in the period, were delayed as a result of the temporary suspension of the DC-10 certification that followed the Chicago crash.

The company said that on June 30, it had firm orders for 342 commercial DC-10s and conditional orders and options for a further 51.

Commercial revenues from the group's computer subsidiary rose 14 per cent to $70.1m in the second quarter, taking the total for the first six months to $162.7m.

The company also announced yesterday that its directors had given approval to proceed with the planned $73m tender offer for Microdata Corporation the sixth largest small business computer manufacturer in the U.S. The offer is conditional upon receipt of at least 90 per cent acceptance.

SCM forecasts higher profits

NEW YORK — Fuelled by increased sales in all areas of its business, SCM Corporation expects to report that per share earnings for the fiscal year ended June 30 rose by about 23 per cent to $4.95, said Mr. Paul H. Elicker, president.

Based on those figures, net income rose about 25 per cent to about $47m. There was a larger number of shares outstanding in fiscal 1979. Mr. Elicker said pre-tax operating earnings rose about 50 per cent from fiscal 1978 when the company's tax rate was unusually low.

Sales for fiscal 1979 rose about 15 per cent to $1.75bn. In fiscal 1978, SCM earned $37.6m or $4.03 a share on sales of $1.51bn.

The fourth quarter of fiscal 1979 showed improvement over the year earlier period, but net income will be about the same as last year's $15.3m or $1.63 per share because of the higher tax rate this year. SCM expects to report fourth quarter and full fiscal 1979 earnings in mid-August. AP-DJ

Sterling Eurobonds move lower

BY FRANCIS GHILES

MOST SECTORS of the Eurobond markets were quiet yesterday. Prices were unchanged in the dollar sector, with activity reduced to a trickle despite a firmer U.S. currency. The recent $100m issue for Sweden is still being traded at the same price at which it was issued.

Prices of sterling bonds shed up to ⅜ of a point on the day, mainly as a result of growing fears of higher interest rates. In the Deutsche-Mark sector prices of foreign bonds were firm, while demand for domestic D-Mark paper showed no sign of abating. The Bundesbank sold DM26m-worth of such paper.

Dresdner Bank is arranging a DM 100m private placement for the Kingdom of Sweden. The borrower is paying a 7½ per cent coupon for this issue which includes a bullet maturity of 10 years. Pricing is expected at par.

The same borrower has raised SwFr 100m in the form of a five-year private placement through Bank Leu. The coupon on this issue, priced at 99¾, has been set at 4½ per cent.

Swiss Volksbank, meanwhile, has arranged two Swiss Franc bonds, both in the form of private placements. The first, amounting to SwFr 60m, is for Oesterreichische Kontrollbank and includes a coupon of 4¾ per cent with pricing at par. The second, of SwFr 20m, is for Daichi Hotels and includes a coupon of 4¾ per cent and is also priced at par.

This bond will be guaranteed by the Long Term Credit Bank of Japan. Of the loan, 35 per cent matures in five years, 30 per cent in six years and the remainder at the end of the seventh year.

The KD 6m 10-year issue for Credit Immobilier et Hotelier Marocain has been priced at 99½ by the lead manager, Kuwait International Investment Company. The issue carries a split coupon—8¾ per cent for the first five years, falling to 8¼ per cent for the remainder of the life of the bond. This is believed to be the first time the "graduated rate" technique has been used in the Kuwait dinar sector.

RESULTS IN BRIEF

Half-year setback at Transcanada Pipelines

NEW YORK—On sales ahead from C$1.1bn to C$1.2bn, Transcanada Pipelines' net income for the first half of the current financial year slipped from C$47.2m, or C$1.17 a share, fully diluted to C$41.02m, or C$1.01.

Other companies reporting first-half results include **Northwest Airlines**, air transport, ahead from $1.72 to $2.38 a share, **Missouri Pacific**, railway, $4.80 against $4.29, **Moore McCormack Resources**, transport and natural resources, $2.29 against $2.03, and **Kroehler Manufacturing**, furniture, a loss of $4.57 against a loss of $3.06.

Increases in first-half earnings per share were also reported by motor parts distributor **Genuine Parts**, up from 74 cents to $1.01, **Middle South Utilities**, up from 85 cents to $1, machine tool maker **Brown and Sharp Manufacturing**, up from $1.34 to $2.32, telephone and electricity utility **Central Telephone and Utilities Corporation**, up from $1.52 to $1.69, electric wire terminals manufacturer **AMP Incorporated**, up from $1.27 to $1.63, and **U.S. Fidelity and Guaranty**, the insurance concern, up from $3.86 to $4.33.

Other companies with higher earnings per share for the first six months included **Pacific Lumber**, wood and welding equipment, $2.01 against $1.74, **Sterling Drug**, pharmaceuticals, 82 cents against 74 cents, **AMF Incorporated**, leisure and industrial products, $1.43 against $1.21, **Ginos Incorporated**, restaurants, 52 cents against 39 cents, **EG and G Incorporated**, electronic systems, $1.35 against $1, and **American Petrofina**, oil and petrochemicals, $2.58 against 66 cents.

Downturns in earnings per share at the six-month level came from **H. F. Ahmanson**, savings and loan association and insurance, with $2.54 compared with $2.56, **M. Lowenstein**, textiles, down from $1.57 to 97 cents, and **Alaska Interstate**, *natural gas distribution and construction*, down from $1.07 to 51 cents.

For the first quarter, the major food supermarket chain **American Stores** turned in per share earnings of $2.21 compared with $1.53, while baby food concern **Gerber** slipped from 80 cents to 66 cents.

In the second quarter, earnings of **Pepsico**, soft drinks, rose from 65 cents to 78 cents, while retail drugs company **Skaggs** rose from 70 cents to $1.24.

In the first nine months of the current financial year, **Macke**, the vending machines and building maintenance concern, advanced from $1.17 to $1.37, **Cabot Corporation** moved ahead from $3.36 to $5.22, **Standard Brands Paint** rose from $1.60 to $1.80, and drilling equipment concern **Baker International** increased from $1.85 to $2.29.

For the full year, **Richardson-Merrall**, medicines, declined from $2.80 to $2.66.

Agencies

AMERICAN QUARTERLIES

BROWNING-FERRIS INDUSTRIES	1979 $	1978 $
Second quarter		
Revenue	118.3m	92.8m
Net profits	7.62m	6.17m
Net per share	0.42	0.38
Six months		
Revenue	330.1m	261.8m
Net profits	20.56m	16.09m
Net per share	1.12	0.94

CANADIAN PACIFIC INVESTMENTS	1979 C$	1978 C$
Second quarter		
Net profits	103.12m	67.34m
Net per share	1.70	1.11
Six months		
Net profits	187.07m	124.58m
Net per share	3.08	2.05

CAPITAL CITIES COMMUNICATIONS	1979 $	1978 $
Second quarter		
Revenue	108.45m	95.78m
Net profits	18.35m	15.17m
Net per share	1.33	1.13
Six months		
Revenue	198.24m	175.43m
Net profits	30.32m	26.87m
Net per share	2.20	1.88

DENTSPLY INTERNATIONAL	1979 $	1978 $
Second quarter		
Revenue	60.9m	56.6m
Net profits	3.07m	4.19m
Net per share	0.68	0.93
Six months		
Revenue	113.8m	101.9m
Net profits	4.36m	3.29m
Net per share	0.97	0.73

FIELDCREST MILLS	1979 $	1978 $
Second quarter		
Revenue	125.5m	117.2m
Net profits	5.63m	5.24m
Net per share	1.35	1.3
Six months		
Revenue	229.7m	213.0m
Net profits	10.2m	9.1m
Net per share	2.46	2.24

FORD OF CANADA	1979 $	1978 $
Second quarter		
Revenue	2.0bn	1.87bn
Net profits	58.2m	25.6m
Net per share	7.02	3.09
Six months		
Revenue	3.8bn	[illegible]
Net profits	59.8m	47.3m
Net per share	7.21	5.70

FOXBORO COMPANY	1979 $	1978 $
Second quarter		
Revenue	122.5m	104.9m
Net profits	10.02m	9.44m
Net per share	1.21	1.15
Six months		
Revenue	227.6m	187.1m
Net profits	17.33m	14.2m
Net per share	2.09	1.73

GULF RESOURCES & CHEMICAL	1979 $	1978 $
Second quarter		
Revenue	123.3m	98.1m
Net profits	8.31m	4.07m
Net per share	0.62	0.41
Six months		
Revenue	229.9m	183.3m
Net profits	8.66m	4.84m
Net per share	0.88	[illegible]

M. LOWENSTEIN CORPORATION	1979 $	1978 $
Second quarter		
Revenue	169.2m	153.6m
Net profits	1.81m	3.52m
Net per share	0.55	1.18
Six months		
Revenue	314.4m	292.1m
Net profits	3.22m	5.21m
Net per share	0.97	1.57

McLEAN TRUCKING	1979 $	1978 $
Fourth quarter		
Revenue	151.9m	135.2m
Net profits	†1.37m	5.31m
Net per share	†0.25	0.94
Year		
Revenue	559.4m	493.7m
Net profits	8.12m	15.42m
Net per share	1.44	2.74

† Loss

MONARCH MACHINE TOOL	1979 $	1978 $
Second quarter		
Revenue	23.3m	19.7m
Net profits	1.77m	1.47m
Net per share	1.03	0.88
Six months		
Revenue	43.9m	37.2m
Net profits	3.01m	2.44m
Net per share	1.74	1.42

DR. PEPPER COMPANY	1979 $	1978 $
Second quarter		
Revenue	79.9m	74.2m
Net profits	7.16m	6.45m
Net per share	0.35	0.32
Six months		
Revenue	142.6m	128.8m
Net profits	12.65m	11.29m
Net per share	0.63	0.56

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on July 30

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	97¾	98¼	−0⅛	−0⅛	10.32
Alex Howden XW 9½ 91	30	82½	84¼	−0⅛	−0⅛	12.22
Australian Res. 9¾ 84...	30	97½	98	—	—	10.22
Avco O/S Cap. 10⅝ 87	40	96⅞	97¼	0	−0⅛	10.80
Bayer Int. F. XW 7⅝ 89	200	82⅞	83⅝	−0⅛	−0⅛	10.05
Beneficial Fin. 9¾ 87 ...	100	97⅞	98⅜	—	—	10.10
CECA 9¾ 84-99	50	94	94½	−0⅛	−0⅛	10.05
CECA 10¾ 91	150	97⅛	98⅛	0	0	11.07
Canadian Pacific 9¾ 89	50	97½	98	0	−0½	10.11
Carter Hawley 9¾ 86 ...	50	96⅞	97⅜	+0⅛	0	10.34
Comalco Inv. E. 10⅜ 91	40	99½	100	0	+0⅛	10.28
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	95⅝	96⅝	−0⅛	−0⅛	10.17
Avco Fin. 10⅝ 86 C$ ...	25	96⅝	96⅝	−0⅛	−0⅛	11.13
Ex. Dev. Cpn. 10 84 C$	50	98½	99	−0⅛	−0⅛	10.32
Fst. Can. Inv. 10 84 C$	50	97⅛	97⅝	−0⅛	−0⅛	10.71
Hudson Bay 10½ 89 C$	60	98⅞	99⅜	−0⅛	−0⅛	10.63
Quebec 10⅝ 86 C$ ...	50	96⅝	97⅛	+0⅛	−0⅛	10.88
R. Bk. Canada 10 86 C$	40	98⅝	99⅛	0	+0⅛	10.12
R. Bk. Canada 10 94 C$	40	95⅛	95⅝	−0⅛	−0⅛	10.69
Copenhagen 8⅝ 91 EUA	25	97⅛	98⅞	−0⅛	+0⅛	8.47
Komm. Inst. 7½ 93 EUA	15	84½	85½	0	−0⅛	8.10
SDR France 8½ 94 EUA	24	94⅞	95⅞	0	−3⅛	9.07
[illegible]						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

* No information available—previous day's price.
† Only one market maker supplied a price.

[illegible]

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Rapid advance in profits for Belgian oil major

BY GILES MERRITT IN BRUSSELS

PETROFINA, the Belgian oil major, has released sharply improved consolidated profits for the first half of 1979.

Earnings for the six months reached BFr 3.94bn ($130m) against BFr 2.23bn during the first half of 1978. Petrofina states that the current level of profits represents about 3 per cent of turnover.

Moreover, the upsurge in profits would have been even greater had the company not changed its policy of stock accounting. A switch to LIFO (last in first out) accounting had the effect of reducing earnings by BFr 2.8bn.

The latest figures mark a strengthening of the trend that emerged when the Belgian group announced its overall 1978 profits, which advanced 7.6 per cent from the 1977 level of BFr 5.6bn to BFr 6.04bn. This reversed tendency of the group's 1977 results, when consolidated earnings were down 16.5 per cent on those of the year before.

In announcing its brightened profits picture for 1978, Petrofina indicated that the improvement had resulted largely from a strong boost to its fourth quarter earnings following the marked increases in oil prices during November and December 1978.

The news of the increase in profitability was accompanied by a Petrofina communique which declared: "The BFr 3.94m profit was obtained after application to stocks of the LIFO method by those subsidiaries which had not been using it hitherto. This decision, which reduced our results by BFr 2,800m, prevents their being affected by the nominal appreciation of the value of our stocks, caused by the current fluctuation in market prices."

The *Petrofina announcement* adds: "The results benefited from the fact that in most countries we *did not* suffer substantial losses on refining and distribution, as we had done for many years. On the other hand, they were affected adversely by the fact that we had to use the open market to make up some of the shortfall caused first by the total stoppage and then by the limitation of our purchases in Iran."

Italian industry heavily in red

BY RUPERT CORNWELL IN ROME

THE DISASTROUS financial position of Italian industry has been underlined in a study *issued today by Mediobanca*, showing that a sample of 856 registered companies, representing around 75 per cent of industry, reported total losses of L2,292bn ($2.83bn) last year.

In fact this enormous figure is fractionally less (by L240bn) than the figure for 1977, and the Milan-based merchant bank also reveals that depreciation set-asides increased during 1978 by L536bn over the previous year.

The improvement seems to have been due to a slower increase in financial charges on companies and a slowdown in labour costs. But Mediobanca calculates nonetheless that the total reported loss by these companies over the past four years exceeds L8,000bn ($9.8bn).

For the seventh year running *investment spending in* real terms declined, by 3.7 per cent in 1978. At the same time gross operating margins had shrunk to such an extent that today of every L100 of turnover, only eight are available for depreciation and debt servicing.

Equally grim are the figures for total indebtedness. Last year for every lira of own resources, Italian companies had L7 of debt, against a ratio of only one to two a decade ago.

Even this figure however is better than that of 1977, when the ratio reached 1-to-8. Last year saw L3,151bn of new capital created while overall short term indebtedness to banks dropped by L368bn, or 2.8 per cent.

Mediobanca estimates that to *have kept the ratio of 1968, an* extra L16,000bn ($19.5bn) of fresh capital should since then have been injected into industry. Due to the weakness of the equity market and the disproportionate appeal to investors of the bank savings, companies have had to borrow the money instead.

Turnover of the 856 companies reached last year L91,000bn, up from L81,700bn in 1977. The lion's share of the losses came from those in the public sector—the 188 state-owned concerns covered turned in losses of L1,876bn, the 668 in private hands one of "only" L416bn.

Credit Suisse boosts earnings

BY JOHN WICKS IN ZURICH

GROSS PROFITS at Credit Suisse improved during the first six months of 1979 in line with the trend reported last week by Switzerland's two other major banks, Swiss Bank Corporation and Union Bank of Switzerland.

Like its rivals, Credit Suisse provides no actual figures at the interim stage but explains that the earnings upturn results from "gratifying expansion of loan business. Shareholders are warned, however, that the reduction in the Swiss mortgage rate on July 1 will adversely affect trading in the current six months.

Income from foreign-exchange and precious-metals dealing improved over the period, that from the issue and securities business being hit by under-subscription of *various loans*. The growth of costs slowed. Despite this generally satisfactory picture, Credit Suisse declines to give a forecast for 1979 as a whole in the light of current "political and economic uncertainties."

Balance-sheet rose by 12 per cent against the end of 1978 to reach a level of SwFr 53.1bn *($32.6bn) on June 30*. Since the start of this year, the loans total increased by 9 per cent to SwFr 26bn ($16bn). of this sum About one half of this increase, says the bank was due to a rise in foreign loans.

On the other side of the balance sheet, the sum due to *customers rose by 5.6 per cent* to SwFr 30.5bn ($18.7bn), a marked increase in the early *months slackening* with keener capital and money-market demand in spring.

For reasons of liquidity policy, Credit Suisse increased by 15 per cent to SwFr 13.9bn ($8.5bn) its due-from-banks total over the first half. The due-to-banks sum increased even more rapidly—by some 30 per cent—over the period to SwFr 16.4bn ($10bn).

● Annual turnover well in excess of SwFr 1bn ($613m) is expected "in a few years' time" by Hilti AG, the Liechtenstein-based industrial company manufacturing fastening, drilling and anchoring systems, according to Mr. Martin Hilti, chairman.

This year, Hilti sees growth of some 15 per cent in turnover, which in 1978 reached SwFr 736m (over $450m). Initial production is foreseen at a new plant in the U.S. *towards the end of this year*, with full operation as from 1980. The U.S. unit, which is *costing some $21m in* investments, is to duplicate Hilti's European programme.

Floating rate issues for Hong Kong

By Our Financial Staff

BARCLAYS Bank International and Bank of Tokyo are each floating HK$50m of floating rate certificates of deposit on the local capital market.

Each separate three-year issue will carry a spread ½ per cent above the one-month inter-bank offered rate for Hong Kong dollars or ½ per cent above the local banking prime rate, whichever is higher.

The issue manager for the Barclays flotation is Trident International Finance, while Jardine Fleming and Co. will handle the Japanese bank's issue.

BSN expansion

The French Government will help BSN-Gervais-Danone expand its agro-food division, the Economics Ministry announced, reports AP-DJ from Paris. The company had a turnover of FFr 16bn ($3.7bn) last year, 50 per cent from its agro-food subsidiaries.

Prospects for expansion are very good, due to new technology and increased productivity, requiring major investments in France and abroad.

Grace sells controlling interest in pasta-maker

BY OUR ROME CORRESPONDENT

W. R. GRACE, the U.S. foods group, has relinquished its eight year control of Barilla, Italy's largest pasta making concern. Under a deal, the terms of which are not available, Grace *has sold its 98.9 per cent stake* in Barilla to Finbarilla, a newly created holding company backed by Italian and Swiss capital.

A quarter of Finbarilla is in the hands of Sig. Pietro Barilla, of the family which set up 100 years ago the Parma-based company. He has an option running for six years to *increase its stake to a majority* of Finbarilla. For 1978 Barilla reported sales of L194.3bn ($240m). Grace *took out* its interest in 1971.

Downturn for Swissair

BY OUR ZURICH CORRESPONDENT

HAMPERED by the grounding of its DC-10 aircraft, Swissair earned less in June than it did in the comparable month of 1978. Earnings declined by around 4 per cent, the airline said without disclosing actual profit figures.

The north and south Atlantic routes were badly affected. *Overall, the number of* passengers carried for the month fell by 13 per cent with freight and *mail* traffic *a full* 22 per cent lower.

The Swiss airline reports a considerable *increase* in investments in subsidiary companies since the end of 1977. Share-capital and loan investments in what the company calls "*external diversification*" rose from SwFr 68m at the end of 1977 to SwFr 95m ($57.8m) at the *close of 1978 and on to SwFr* 108m by May, 1979. This came about partly by a capital increase of the *charter* airline Balair AG, in which Swissair holds 57 per cent, and the creation of the Geneva charter company Cie. de Transport Aeriens (CTA).

Dutch trading groups prosper

BY CHARLES BATCHELOR IN AMSTERDAM

PROSPECTS appear favourable for the Dutch international trading concerns despite the setbacks suffered last year, according to the Amsterdam-Rotterdam Bank (AMRO). In a review of three of the largest publicly quoted companies in the sector—Ceteco, Hagemeyer and Internatio-Mueller — the bank does, however, underline the political business and accounting factors which may adversely affect the 1979 results.

The recent political developments in Nicaragua may have a strongly negative influence on the results of Ceteco, though business trends so far this year are otherwise been positive. The group, with annual sales of Fl 443m ($221m) is well established in the Caribbean and Central America and also has operations in Europe, Africa and Hong Kong.

Retail and wholesale turnover rose by about 30 per cent in the first months of 1979 while export and transit business rose even more sharply. Manufacturing operations also improved and net profit increased by just under 10 per cent.

Excluding the impact of events in Nicaragua, where losses due to fire and looting have not yet been assessed, 1979 adjusted earnings of Fl 31 ($15.50) per share are foreseen after Fl 30.78 in 1978.

A reorganisation now under way at Hagemeyer will largely *determine operating results* this year and the success of this programme will emerge from the first half results due shortly. If the company can turn its first quarter loss of Fl 2.4m into a profit in the first half then earnings for the year of Fl 6 per share are within reach, Amro says. Hagemeyer, with annual sales of Fl 1.5bn, has a world network of offices marketing and distributing industrial products though manufacturing accounts for 23 per cent of assets.

Operating results at Internatio-Mueller, with 1978 turnover of Fl 3.4bn the largest and most diversified of the three companies, are expected to improve this year. Lower extraordinary receipts and a higher tax charge will reduce net profit though and earnings of Fl 7 per share, compared with Fl 7.98, are expected. The manufacturing, trading and contracting divisions, foresee higher earnings this year though the profit contribution of transport will be smaller.

Renault supports RVI with rights issue

By Terry Dodsworth in Paris

RENAULT, the nationalised French motor manufacturer, is injecting FFr 405m ($96.4m) into RVI, its troubled commercial vehicle subsidiary.

The capital is being raised in the form of a rights issue which will virtually double RVI's equity from FFr 455.6m to FFr 860.6m. This will give the parent group, which owns virtually 100 per cent of RVI, 2.7m new shares at the rate of eight new units for nine old ones.

The decision to go ahead with the issue underlines Renault's commitment to its commercial vehicle division despite the heavy losses it has run up in recent years. But, at the same time, it is known that RVI has cut back on its investment objectives of two years ago when *it launched a five-year FFr 5bn* spending programme aimed at revamping its vehicle range and *streamlining the manufacturing* structure of the group.

This reorganisation plan has run into deep trouble because of the rising losses of the company, which reached FFr 250m *in 1977 and shot up to virtually* FFr 400m last year. In order to halt this haemorrhage, RVI has been forced *to trim both its* workforce and its capital development projects.

Expenditure is now being concentrated on three developments—the "core" plan, as RVI *calls it. The first of these* is a FFr 1bn factory at Batilly near Metz in Lorraine which is de*signed to come on stream* making small commercial vehicles of less than six tonnes in 1985.

RVI is also investing in a new heavy-duty engine range which will be manufactured at *Lyons*, and a foundry to serve the whole group, also at Lyons.

Meanwhile, the group is expected to make another heavy loss this year, although it should be lower than in 1978 because of the smaller workforce. The company is aiming to stabilise its position in 1980, but its ability to achieve this will depend to some extent on the French commercial vehicle market.

Life offices sell Waltons stake

BY JAMES FORTH IN SYDNEY

INSTITUTIONAL shareholders in the Sydney-based retail chain Waltons have already ensured control of a significant shareholding in the company for a group of retail-oriented Melbourne businessmen. The two largest life offices in the country —the AMP Society and the National Mutual Life Association —have sold their holdings to the group of businessmen, led by Mr. John Gandel, the managing director of the Sussan women's clothing retail chain.

Mr. Gandel's partners in the move on Waltons are Messrs Abe Goldberg and Morris Joss, both of whom have figured in recent share buying operations on other companies, and Mr. Mark Besan.

Earlier this month the group sought to buy the 17.1 per cent *shareholding of Walton Staff* Fund—the largest shareholder in the group. The businessmen offered A$1.00 a share, but reconsidered the terms when Walton's directors revealed that a loss of A$4.5m on retail operations was expected in the July half-year. The Gandel group instead agreed to buy 25 per cent of the fund holding, or 4.4 per cent of the Waltons' capital, at the same price of A$1.00 a share, *and to take a six month option* for another 4.4 per cent.

The buyers made it clear that *a full takeover bid was not* contemplated, although Board representation was desirable. The original intention was also to buy the AMP Society's 10 per cent shareholding and pick up another 3 per cent to end up with a stake of 30 per cent. The news of the unexpectedly poor trading activities encouraged institutions to offer their investments.

The Gandel group picked up about 5 per cent of Waltons' capital from National Mutual along with the AMP parcel, both at A$1.00 a share, to give a stake of 19.88 per cent. If the option is exercised the holding would increase to 24.32 per cent.

The directors of Waltons have now offered a Board seat to Mr. Gandel, and announced several other Board changes. Two directors, Mr. D. B. Sanderson and Mr. D. E. Turner, retired at the *weekend for "personal reasons."* The company secretary, Mr. E. T. Traynor, has come on to the Board as finance director, while the previous director of state operations in New South Wales, Mr. N. S. Reid, has been appointed general manager of the group's retail trading activities.

The institutional sellers and the staff fund, have fared much better than public holders in Waltons. The price of Waltons plunged from 94 cents on the share market to 64 cents after news of the expected second-half trading loss, *and had recovered* yesterday to only 73 cents—well below the prices received from the Gandel group.

PAPUA NEW GUINEA

NBA meets equity rule

BY OUR SYDNEY CORRESPONDENT

THE National Bank of Australasia has decided on local share issues in its Papua New Guinea offshoot, Bank of South Pacific, to comply with the PNG government policy for increased local ownership.

An initial issue will be made available for subscription in PNG in about October or November this year. Further issues are planned until local residents own about 25 per cent of the PNG operation.

The Bank of South Pacific was incorporated in 1974 to take over the PNG operation of the National Bank. It was the first private commercial bank to be incorporated in PNG. The present capital of the Bank of South Pacific is 2m Kina (almost $3m).

It is anticipated that the shares will be sought by customers of the bank and other PNG citizens as well as companies and provincial development corporations and statutory organisations.

INTNTL. COMPANIES and FINANCE

Nippon Steel doubles profit but fall in exports feared

BY RICHARD C. HANSON IN TOKYO

NIPPON STEEL, the world's largest integrated steelmaker, yesterday reported that its consolidated net income in the year ended March 31 soared 232.6 per cent to Y48.9bn ($227m), on a sales rise of 3.6 per cent to Y2,524bn ($11.7bn). There is some concern in the industry, however, that steel production could decrease in this quarter and next as exports begin to lag.

The company consolidates only three fairly small subsidiaries. Parent company sales had shown a 7.5 per cent drop to Y2,413bn while net profit jumped 185.3 per cent to Y45.22bn.

Industry-wide steel production has been increasing steadily over the past year reaching 27.99m tonnes in the April-June quarter, compared with 26.63m tonnes.

According to the guidelines put out by the Ministry of International Trade and Industry (MITI), July-September production should rise to 28.35m tonnes, but Japanese steelmen say that a decline in demand for steel by non-oil producing countries badly hit by oil price increases will cut into exports, sending the output figure below the target. This will end six quarters of steady increases.

It is estimated that steel exports during the July-September quarter could fall as much as 500,000 tonnes below the projected level of 6.7m tonnes. Domestic demand continues to be strong, as the motor industry remains healthy.

Exports to the U.S. market do not appear to be weakening, although it is not clear how long strong demand there will last. Exports to China are expected to be less than hoped for, and a tightening of economic conditions in South Korea and other South East Asian countries will curb demand.

Meanwhile, Nippon Kokan, the second biggest steel company in Japan, said that its consolidated sales were down 3.3 per cent to Y1,197bn ($5.6bn), while net profit rose 100.3 per cent to Y9.92bn ($46.1m). Its consolidated results show little change from the parent-only figures released earlier.

NZ moves to attract foreign investors

By Dai Hayward in Wellington

THE NEW ZEALAND Government has made widespread changes in guidelines to remove restrictions on foreign investment and to encourage overseas investors.

In future, foreign companies can take over New Zealand companies with less NZ$500,000 (just over U.S.$510,000) in assets. The purchase by foreign companies of assets of less than NZ$500,000 in New Zealand organisations will be automatically approved.

Overseas owned companies will be able to borrow much higher amounts than previously.

Mr. Robert Muldoon, the Prime Minister, announcing the new rules governing foreign investment, said that a flexible approach would be applied to every proposal.

"There is no doubt New Zealand will benefit from more foreign investment and the inflow of technology it can bring the new guidelines make it quite clear that New Zealand welcomes foreign investment that can contribute to the country's development," he said.

Proposals to increase foreign holdings in New Zealand will be measured against five main yardsticks. They are:

- Added competition to local industry bringing lower prices and greater efficiency;
- The introduction of new technology, managerial or technical skills;
- Development of new export markets;
- The extent to which a proposal is likely to make a net positive contribution to New Zealand's balance of payments;
- The creation of new jobs and promotion of New Zealand economic growth.

The degree of participation of local shareholders in proposals involving ownership and control of the country's natural resources and the potential impact on the environment will also be considered.

In future, the issue of new shares in a company to an overseas person of up to 25 per cent of the company shares, will not require official approval.

"The New Zealand Government intends to provide a favourable climate for investment partnerships in areas in which New Zealand has real advantages. We will act to assist potential overseas investors forge links with the New Zealand private business sector."

Earnings increase for Komatsu

TOKYO—Komatsu, the Japanese construction machinery maker, raised its net profit at parent company level by 28 per cent in the first half of the fiscal year to Y9.64bn ($44.8m) from Y7.51bn in the same period last year.

Sales for the six months to June 30 increased 13.9 per cent to Y221.86bn ($1bn) from Y194.78bn.

The increases in net profit and sales resulted mainly from cost reductions and price increases in the overseas markets to meet the appreciation of the yen in the foreign exchanges, and also from an upturn in demand for construction machinery in the domestic market, according to the company.

Sales of construction machinery were Y198.48bn, up 14 per cent from Y174.08bn. Sales of industrial machinery increased 10.7 per cent to Y14.5bn from Y13.10bn. Sales at the steel department rose 27.3 per cent to Y1.45bn, from Y1.14bn. At the other departments sales totalled Y7.42bn, up 15.1 per cent from Y6.45bn.

Exports increased 1.6 per cent to Y93.46bn, from Y82.12bn.

Komatsu estimates that its net profit in the whole fiscal year, ending December 31, will total Y20bn, up from Y15.89bn in 1978. It forecast sales for the year of about Y452bn, against Y396.66bn last year.

AP-DJ

Shipping line net income trends vary

TOKYO — Lower sales but varying profit trends are reported on a consolidated basis by two Japanese shipping companies. Kawasaki Kisen Kaisha, the third largest operator of regular liners in Japan, posted a net profit of Y536m ($2.5m) *in the year to March 31, up 29.8* per cent from the Y413m in the preceding year.

Sales declined 10.8 per cent to Y269.724bn ($1.3bn) from Y302.34bn.

Mitsui OSK Lines, has announced a fall of 4.1 per cent in net income to Y2.74bn for the year to March 31, from Y2.88bn. Sales fell to Y343.14bn, from Y407bn.

Agencies

Higher export sales lift Vereeniging Refractories

BY JIM JONES IN JOHANNESBURG

VEREENIGING Refractories (VERREF), South Africa's largest manufacturers of refractory bricks, has reported a 23.5 per cent first-half turnover increase to R35.8m ($42.6m) for the six months to June 30, 1979. This compares with first-half turnover of R29m last year and a second-half figure of R33.7m.

First half pre-tax profit rose to R6.78m compared with last year's first half figure of R3.95m and R9.18m for the whole of 1978.

Much of the first half improvement resulted from higher export sales and introduction of new refractory products. Even so, the group's refractory manufacturing facilities continue to operate below full capacity.

Elsewhere, despite continuing low prices for clay drainage pipes, the subsidiary Vitro turned its previous first-half *R207,000 operating loss into a* R92,000 operating profit this year.

Mr. Graham Boustred, the chairman, is confident that second-half earnings will at least match those of the first.

From first-half earnings per share of 66 cents compared with 42 cents a 16 cents interim dividend has been declared. Last *year's interim of 12 cents was* followed by a 24 cents final.

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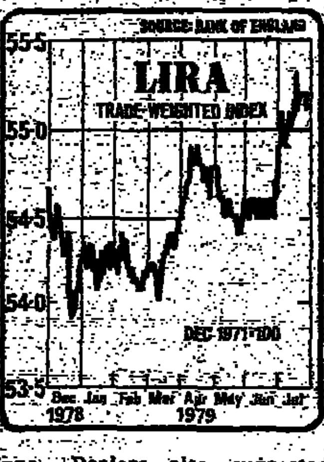
Sterling and dollar firm

STERLING and the U.S. dollar both made headway against major currencies yesterday in rather dull trading. While the pound remained firm on high interest rates and North Sea oil, the dollar was helped by better-than-expected trade figures for June. Dealers also suggested that the U.S. Federal Reserve Bank may have been working indirectly in the market to boost the dollar and taking advantage of the rather subdued conditions. Against the D-mark, it finished close to its best level for the day at DM 1.8325 compared with Friday's close of DM 1.8195. Similarly against the Swiss franc, it rose to SwFr 1.6575, against SwFr 1.6430 previously. In terms of the Japanese yen it rose to Y217.10 from Y215.30.

On Bank of England figures, the dollar's trade-weighted index improved to 84.3 from 84.0, its best level for two weeks.



Sterling opened at $2.3155-$2.3165 and rose to a high of $2.3230 before dollar demand saw the rate fall to $2.3185. Trading took place around this level until about 4.30 pm when the pound eased to close at $2.3130-2.3140, a loss of just 10 points on the day. Sterling's overall performance was reflected in its trade-weighted index, which rose to 73.8 from 73.6, having stood at 73.8 at noon and 73.7 in the morning.

FRANKFURT—There was no intervention by the Bundesbank at yesterday's fixing when the dollar rose to DM 1.8252 from DM 1.8137 at Friday's fixing. Trading was described as very quiet with the U.S. unit still buoyed by a narrower U.S. trade deficit for June, and there was little indication of any central bank intervention either way.

MILAN—The lira lost ground against the dollar and sterling but remained firm against its EMS partners. The dollar was fixed at L818.45, up from Friday's level of L816.70 while sterling improved to L1,897.25 from L1,896.30.

TOKYO—The dollar continued to improve against the yen in fairly active trading, and closed at Y216.225 compared with Friday's close of Y215.50. A sharp deterioration in Japan's trade figures for the first 20 days of July was seen as one of the leading factors behind the dollar's improvement. The latter may also have gained strength from a narrowing in the U.S. trade deficit in June. After opening at Y215.50, demand for the U.S. unit pushed it to a high for the day of Y216.45 during the afternoon.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	39.4582	40.6149	+2.93	+1.18	±1.53
Danish Krone ...	7.08592	7.32050	+3.31	+1.56	±1.635
German D-Mark	2.51064	2.54187	+1.24	−0.51	±1.1325
French Franc ...	5.79831	5.91408	+2.00	+0.24	±1.35
Dutch Guilder ...	2.72077	2.79264	+2.64	+0.89	±1.5075
Irish Punt	0.662638	0.674177	+1.74	−0.01	±1.665
Italian Lira	1148.15	1140.32	−0.68	−0.88	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

July 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3125-2.3230	2.3130-2.3140	0.78-0.68c pm	3.79	1.90-1.80 pm	3.20
Canada	2.6995-2.7160	2.7000-2.7010	0.75-0.65c pm	3.11	1.90-1.80 pm	2.74
Nethlnd.	4.63-4.67	4.64½-4.65½	2¾-1¾c pm	5.81	6¾-5¾ pm	4.95
Belgium	67.45-67.80	67.50-67.60	15-5c pm	3.55	40-30 pm	2.07
Denmark	12.12-12.21	12.15¼-12.16¼	2ore pm-par	0.99	2½-4¼ dis	−1.15
Ireland	1.1200-1.1250	1.1235-1.1245	25-35p dis	−3.20	80-90 dis	−3.02
W. Ger.	4.21½-4.25½	4.23¾-4.24¾	3½-2½pf pm	8.84	8¾-7¾ pm	7.78
Portugal	112.30-113.00	112.35-112.65	40-100c dis	−7.47	120-220 dis	−6.04
Spain	152.70-153.50	152.75-152.85	280-330c dis	−23.96	620-720dis	−17.53
Italy	1,893-1,900	1,893¾-1,894¼	3¼-5¼ lire dis	−2.69	10½-12½ dis	−2.43
Norway	11.63-11.67½	11.63½-11.64½	6-4ore pm	5.16	15-13 pm	4.81
France	9.83¾-9.86¾	9.83¾-9.84¾	1¾c pm	2.44	5¾-4½ pm	2.13
Sweden	9.70-9.74	9.70¼-9.71¼	2ore pm-par	1.24	3½-1½ pm	1.03
Japan	500-506	502-503	4.00-3.75y pm	9.25	10.25-9.95 pm	8.04
Austria	30.95-31.15	31.05-31.10	22-12gro pm	6.56	58-48 pm	6.82
Switz.	3.80½-3.85	3.83¾-3.84¾	4¾-3¾c pm	13.29	12⅞-11⅞ pm	12.90

Belgian rate is for convertible francs. Financial franc 69.85-69.95c pm. Six-month forward dollar 3.05-2.95c pm; 12-month 5.00-4.95c pm.

THE DOLLAR SPOT AND FORWARD

July 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3125-2.3230	2.3130-2.3140	0.78-0.68c pm	3.79	1.90-1.80 pm	3.20
Ireland†	2.0550-2.0690	2.0650-2.0600	1.30-1.10c pm	7.00	3.25-3.00 pm	4.09
Canada†	85.47-85.64	85.61-85.64	0.05-0.04c pm	0.70	0.12-0.09 pm	0.49
Nethlnd.	2.0020-2.0080	2.0060-2.0080	0.48-0.38c pm	2.57	0.95-0.85 pm	1.79
Belgium	29.14½-29.21½	29.20-29.21½	¼c pm	1.13	5-6 pm	0.89
Denmark	5.2245-5.2605	5.2515-5.2530	1.00-1.50ore dis	−2.86	5.60-6.10dis	−4.45
W. Ger.	1.8245-1.8333	1.8323-1.8333	0.86-0.76pf pm	5.31	2.14-2.04 pm	4.57
Portugal	48.50-48.75	48.65-48.75	48c dis	−10.59	95-140 dis	−9.65
Spain	66.05-66.14	66.05-66.10	130-150c dis	−25.43	320-350dis	−20.28
Italy	818.30-819.00	818.30-818.60	4.00-4.75 lire dis	−6.41	12-13 dis	−6.11
Norway	5.0185-5.0265	5.0255-5.0265	1.50-1.00ore pm	2.98	2.50-2.00 pm	1.79
France	4.2380-4.2515	4.2505-4.2515	0.42-0.52c dis	−1.33	1.15-1.30dis	−1.15
Sweden	4.1860-4.1960	4.1950-4.1960	0.40-0.60ore dis	−1.43	2.00-2.20dis	−2.00
Japan	216.50-217.20	217.00-217.20	1.05-0.90y pm	5.39	2.70-2.55 pm	4.84
Austria	13.393-13.434	13.424-13.434	5.00-4.50gro pm	4.24	13.50-12.00pm	3.80
Switz.	1.6483-1.6570	1.6560-1.6570	1.49-1.44c pm	10.62	4.09-4.04 pm	9.82

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

July 30	Bank of England Index	Morgan Guaranty changes %
Sterling	73.8	−31.7
U.S. dollar	84.3	−9.1
Canadian dollar	80.5	−17.2
Austrian schilling	147.1	+19.1
Belgian franc	114.4	+13.4
Danish kroner	113.4	+2.1
Deutsche Mark	151.2	+41.7
Swiss franc	196.8	+80.5
Guilder	123.3	+18.1
French franc	99.0	−7.5
Lira	55.2	−48.8
Yen	131.3	+29.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

July 27	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.563580	0.601615
U.S. $	10	1.30835	1.39665
Canadian $	11¼	1.53038	1.63254
Austria Sch.	3¾	17.4697	18.6453
Belgian F	9	38.0959	40.6669
Danish K	9	6.83615	7.29609
D mark	5	2.37950	2.53981
Guilder	6	2.61670	2.79274
French Fr.	9½	5.53825	5.91271
Lira	10½	1068.59	1140.71
Yen	5¼	281.295	300.419
Nrwgn. K	7	6.56530	7.00838
Spanish Pes.	8	86.6129	92.5280
Swedish Kr.	7	5.48722	5.84637
Swiss Fr.	1	2.14766	2.29400

OTHER MARKETS

July 30	£	$		£ Note Rates
Argentina Peso	3153-3173	1365-1370	Austria	30½-31½
Australia Dollar	2.0440-2.0480	0.8835-0.8850	Belgium	69.5-70.5
Brazil Cruzeiro	59.92-60.92	25.90-26.35	Denmark	12.00-12.15
Finland Markka	8.84-8.86	3.8185-3.8205	France	2.75-9.85
Greek Drachma	83.636-85.630	36.15-37.00	Germany	4.15-4.25
Hong Kong Dollar	11.99½-12.01	5.1800-5.1850	Italy	1,850-1,900
Iran Rial	168.90-175.90	72.75	Japan	498-508
Kuwait Dinar (KD)	0.631-0.641	0.2747-0.2748	Netherlands	4.55-4.65
Luxembourg Frc.	67.50-67.60	29.20-29.22	Norway	11.55-11.70
Malaysia Dollar	4.98½-5.00	2.1530-2.1540	Portugal	109-115
New Zealand Dlr.	2.2525-2.2585	0.9735-0.9760	Spain	150½-154½
Saudi Arab. Riyal	7.74-7.84	3.3605-3.3630	Switzerland	3.75-3.85
Singapore Dollar	4.98½-5.00	2.1525-2.1535	United States	2.3150-2.3275
Sth. African Rand	1.9385-1.9485	0.8380-0.8420	Yugoslavia	44.47

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

July 30	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.314	4.243	502.5	9.838	3.838	4.650	1894.	2.701	67.55
U.S. Dollar	0.432	1.	1.834	217.2	4.252	1.659	2.010	818.8	1.167	29.20
Deutschemark	0.236	0.546	1.	118.4	2.319	0.905	1.096	446.5	0.637	15.92
Japanese Yen 1,000	1.990	4.604	8.443	1000.	19.58	7.637	9.254	3770.	5.374	134.4
French Franc 10	1.017	2.352	4.313	510.8	10.	3.901	4.727	1926.	2.745	68.67
Swiss Franc	0.261	0.605	1.106	130.9	2.564	1.	1.212	493.6	0.704	17.60
Dutch Guilder	0.215	0.498	0.912	108.1	2.116	0.825	1.	407.4	0.581	14.53
Italian Lira 1,000	0.528	1.221	2.240	265.3	5.195	2.026	2.455	1000.	1.426	35.66
Canadian Dollar	0.370	0.857	1.571	186.1	3.643	1.421	1.722	701.4	1.	25.01
Belgian Franc 100	1.480	3.425	6.281	743.9	14.56	5.681	6.884	2804.	3.998	100.00

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.80-10.90 per cent; three months 10.85-10.95 per cent; six months 10.90-11.00 per cent; one year 10.55-10.65 per cent.

July 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	13½-14	10⅝-10⅞	9¼-10½	8⅛-8⅜	⅝-¾	6-6⅛	12-12½	10-13	—	2½-7⅛
7 days' notice	14¼-14½	10¾-11	9⅞-10½	8⅛-8⅜	⅞-⅞	6-6⅛	12-12½	17¾-18¾	10⅝-10⅞	5⅛-6⅛
Month	14⅛-14⅝	10⅞-11⅛	11⅛-11½	8⅝-8⅞	1⅛-1⅛	6⅛-6⅛	12-12¼	16¾-17¾	10⅞-11⅛	5¾-6⅜
Three months	14⅛-14⅜	11⅛-11⅛	11⅛-11½	9¼-9½	1⅛-1⅛	6½-6⅝	12¼-12½	16¼-17¼	11¼-11⅛	6⅛-6⅛
Six months	13⅞-13⅞	11⅛-11⅞	11⅛-11⅛	9⅝-9⅞	2⅛-2⅛	6⅞-7	12⅜-12⅝	15¾-16¾	11¼-11⅜	6⅝-6⅛
One year	13⅛-13⅝	10¾-11	10⅝-11	9⅛-9¾	2½-2⅝	6⅛-7⅛	12⅜-12⅝	14¾-15¾	10⅞-11	6⅝-6⅞

Long-term Eurodollar: two years 10⅝-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10-10¼ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

U.S. rates firmer

U.S. interest rates continued to rise yesterday in rather nervous trading. Recent action by the Federal Reserve Bank has tended to suggest a new target rate for Fed funds of 10¾ per cent or more. However the market was still awaiting some concrete evidence that this was the case. Yesterday's rate was quoted at 11-11⅛ per cent compared with 10⅞ per cent on Friday. Treasury bill rates were also firmer with 13-week bills quoted at 9.24 per cent from 9.22 per cent and 26-week bills at 9.39 per cent compared with 9.38 per cent on Friday.

FRANKFURT—Call money rose to 6.00-6.10 per cent from 5.85-5.95 per cent, while longer term rates were slightly firmer where changed. One-month money was quoted at 6.30-6.50 per cent compared with 6.35-6.40 per cent, three-month at 6.80-7.00 per cent from 6.90-6.95 per cent, six-month at 7.20-7.40 per cent from 7.25-7.35 per cent, and 12-month money at 7.40-7.60 per cent against 7.45-7.55 per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were quoted at 12¼-12½ per cent for one-month compared with 12-12½ per cent and 12-12½ per cent for three-month, unchanged from Friday. Six and 12-month deposits were also unchanged at 11⅞-11⅛ per cent and 10¼-10½ per cent respectively.

PARIS—Call money remained at 10½ per cent, and longer term rates were also unchanged from Friday.

TOKYO—Prime rates for long-term lending are to be increased from August by Japanese Trust Banks and long-term credit banks to 8.2 per cent from 7.7 per cent. This move reflects the recent rise in the official discount rate to 5¼ per cent and puts prime rates at their highest level for two years.

SINGAPORE—Several leading banks raised their prime rates yesterday, with Bank of Canton and Sanwa Trust Company posting ½ per cent rises to 8¼ per cent as well as Societe Generale. Barclays Bank International pushed up its rate to 9 per cent from 8½ per cent with other changes including a ¼ per cent rise to 8½ per cent by the International Bank of Singapore.

HONG KONG—Conditions in the money market were generally easy, with call money quoted at 9¼ per cent and overnight business dealt at 8½ per cent.

GOLD

Sharp fall

Gold fell sharply in the London bullion market yesterday prompted by improved sentiment surrounding the dollar, and it closed at $300½-301½, a fall of $4¾ an ounce. The metal opened at $305-305½ but fell in very active trading on heavy selling and this trend was accelerated with the entry of New York into the market.

In Paris the 12½ kilo bar was fixed at Fr 43,900 per kilo ($321.57 per ounce) compared with Fr 43,950 ($322.40) in the morning and Fr 44,000 ($323.30) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 17,830 per kilo ($303.98 per ounce) against DM 17,875 ($305.96) previously.

	July 30	July 27
Gold Bullion (fine ounce)		
Close	$300½-301½ (£130¼-130¾)	$305¼-305¾ (£131¾-132)
Opening	$305-305½ (£131¾-132)	[illegible]
Morning fixing	$304.65 (£131.532)	$304.40 (£131.484)
Afternoon fixing	$301.60 (£129.860)	$305.80 (£131.889)
Gold Coins, domestically		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins, internationally		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	$421-426	[illegible]
$10 Eagles	$237-242	[illegible]
$5 Eagles	$177-182	$179-184

UK MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

Conditions were generally easy in the London money market yesterday, and the authorities bought only a small amount of Treasury bills, all direct from the discount houses. The market was faced with the unwinding of a previous sale and the repurchase agreement, involving a small amount of eligible bank bills, and there was also a small net take up of Treasury bills to finance. On the other hand banks brought forward balances a little way above target. Discount houses were paying 13½-13¾ per cent for secured call loans at the start, and closing balances were taken down to 13 per cent.

In the interbank market overnight loans opened at 13½-14 per cent and eased on the forecast to 13½-13¾ per cent. Trading for the rest of the day took mostly between 13½ per cent and 14 per cent and closing balances were taken around 13½-14 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

July 30 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	13¼-14	—	—	—	14	13-13¾	—	—	—
2 days notice	—	—	14¼-14¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	14-14¼	14-14¼	—	—	14¼	14¼	—	—	—
One month	14¼-14¼	14¼-14¼	14¼-14¼	14⅞-14½	14¼	14½	14¼	13⅞	13⅞-13⅞	14¼
Two months	14¼-14	14¼-14⅛	—	14⅞-14¼	14¼	—	14¼	13⅞	13⅞-13⅞	14¼
Three months	13⅞-13⅞	13⅞-14	14-13⅞	13⅞-13⅞	14	—	13⅞	13¼	13⅞-13⅞	14¼
Six months	13⅞-13⅞	13⅞-13⅞	—	13⅞-13⅞	13⅞	—	—	—	—	—
Nine months	12⅞-12⅞	12⅞-13	—	13⅞-13⅞	13⅞	—	—	—	—	—
One year	12⅞-12⅞	12⅞-13	12⅞-12⅞	12⅞-13⅞	13¼	—	—	—	—	—
Two years	—	—	—	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 12¼-12½ per cent; four years 12⅞-13 per cent; five years 12⅞-13 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13½-13⅞ per cent; four-month trade bills 14½ per cent.

Approximate selling rate for one-month Treasury bills 13⅞ per cent; two-month 13⅞-13⅞ per cent; three-month 13⅞ per cent. Approximate selling rate for one-month bank bills 14⅛ per cent; two-month 14⅛ per cent and three-month 14⅛ per cent; one-month trade bills 14½ per cent; two-month 14½ per cent; and three-month 14½ per cent.

Finance House Base Rate (published by the Finance Houses Association) 12½ per cent from July 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3460 per cent.

MONEY RATES

NEW YORK	
Prime Rate	11.5-11.75
Fed Funds	11.0625
Treasury Bills (13-week)	9.24
Treasury Bills (26-week)	9.39
GERMANY	
Discount Rate	5
Overnight Rate	6.05
One month	6.40
Three months	6.90
Six months	7.30
FRANCE	
Discount Rate	9.5
Overnight Rate	10.375
One month	10.5625
Three months	10.6875
Six months	10.8125
JAPAN	
Discount Rate	5.25
Call (Unconditional)	6.5625
Bills Discount (three-month)	7.0625

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on July 30, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rate; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nom) nominal; (o) official rate; (s) selling rate.

Place and Local Unit		Value of £ Sterling
Afghanistan	Afghani	95.00
Albania	Lek	10.0674
Algeria	Dinar	8.9158
Andorra	French Franc / Spanish Peseta	9.8375 / 152.80
Angola	Kwanza	64.475
Antigua (S)	E. Caribbean $	6.2522
Argentina	Ar. Peso Free Rate	3,163
Australia (S)	Australian $	2.0460
Austria	Schilling	31.075
Azores	Portug. Escudo	112.5
Bahamas (S)	Ba. Dollar	2.3135
Bangladesh (S)	Taka	32.80 (sg)
Bahrain (S)	Dinar	0.880
Balearic Isles	Spa. Peseta	152.80
Barbados (S)	Barbados $††	4.627
Belgium	B. Franc	(cm) 67.55 / (fn) 69.90
Belize	B $	4.627
Benin	C.F.A. Franc	491¾
Bermuda (S)	Bda $	2.3135
Bhutan	Indian Rupee	17.92 (sg)
Bolivia	Bolivian Peso	46.27
Botswana (S)	Pula	1.9169
Brazil	Cruzeiro	60.42
Brit. Virgin Isles (S)	U.S. $	2.3135
Brunei (S)	Brunei $	4.9925
Bulgaria	Lev	1.7930
Burma	Kyat	15.665
Burundi	Burundi Franc	205.93
Cameroon Republic	C.F.A. Franc	491¾
Canada	Canadian $	2.7005
Canary Islands	Spanish Peseta	152.80
Cape Verde Isl.	Cape V. Escudo	84.465
Cayman Islands (S)	Cay. Is. $	1.9279
Cent. Af. Empire	C.F.A. Franc	491¾
Chad	C.F.A. Franc	491¾
Chile	C. Peso	[illegible]
China	Renminbi Yuan	3.5616
Colombia	C. Peso	(F) 99.66
Comoro Islands	C.F.A. Franc	491¾
Congo (Brazzaville)	C.F.A. Franc	491¾
Costa Rica	Colon	19.8961
Cuba	Cuban Peso	1.59785
Cyprus (S)	Cyprus £	0.7970
Czechoslovakia	Koruna	(com) 11.25 / (n/c) 22.50 / (T) 18.90
Denmark	Danish Krone	12.1575
Djibouti	Fr.	395.0
Dominica (S)	E. Caribbean $	6.2522
Dominican Repub.	Dominican Peso	2.3135
Ecuador	Sucre	(O) 57.69 / (F) 66.19
Egypt	Egyptian £	(U) 1.560
Equatorial Guinea	Peseta	152.80
Ethiopia	Ethiopian Birr	(P) 4.7944
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	12.1575
Fiji Islands	Fiji $	1.8775
Finland	Markka	8.85
France	French Franc	9.8375
French C'ty in Af.*	C.F.A. Franc	491¾
French Guiana	Local Franc	9.8375
French Pacific Is.	C.F.P. Franc	178.86
Gabon	C.F.A. Franc	491¾
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.2425
Germany (West)	Deutsche Mark	4.2425
Ghana (S)	Cedi	6.39 (sg)
Gibraltar (S)	Gibraltar £	1.0
Gilbert Islands	Australian $	2.0460
Greece	Drachma	84.633
Greenland	Danish Kroner	12.1575
Grenada (S)	E. Caribbean $	6.2522
Guadeloupe	Local Franc	9.8375
Guam	U.S. $	2.3135
Guatemala	Quetzal	2.3135
Guinea Republic	Sily	43.589
Guinea Bissau	Peso	77.496
Guyana (S)	Guyanese $	5.8994
Haiti	Gourde	11.567
Honduras Repub.	Lempira	4.66
Hong Kong (S)	H.K. $	12.002
Hungary	Forint	(com) 77.30 / (T,nc) 44.17
Iceland (S)	I. Krona	824.0
India (S)	Ind. Rupee	17.92 (sg)
Indonesia	Rupiah	1,445
Iran	Rial	170.04
Iraq	Iraq Dinar	0.6845
Irish Republic (k)	Irish £	1.1240
Israel	Israel £	59.90
Italy	Lira	1894.25
Ivory Coast	C.F.A. Franc	491¾
Jamaica (S)	Jamaica Dollar	4.1261
Japan	Yen	502.5
Jordan (S)	Jordan Dinar	0.680
Kampuchea	Riel	2776.2
Kenya (S)	Kenya Shilling	17.095
Korea (Nth)	Won	[illegible]
Korea (Sth)	Won	1123.97
Kuwait (S)	Kuwait Dina	0.636
Laos	Kip Pot Po	925.4
Lebanon	Lebanese £	7.4495
Lesotho	S. African Rand	1.9435
Liberia	Liberian $	2.3135
Libya	Libyan Dinar	0.6849
Liechtenstein	Swiss Franc	3.8375
Luxembourg	Lux Franc	67.55
Macao	Pataca	12.28
Madeira	Portug'se Escudo	112.5
Malagasy Republic	MG Franc	491¾
Malawi (S)	Kwacha	1.86
Malaysia (S)	Ringgit	4.9925
Maldive Islands (S)	Mal Rupee	9.0980
Mali Republic	Mali Franc	9.8375
Malta (S)	Maltese £	0.8070
Martinique	Local Franc	9.8375
Mauritania	Ouguiya	97.807
Mauritius (S)	M. Rupee	13.581
Mexico	Mexican Peso	53.00
Miquelon	C.F.A. Franc	491¾
Monaco	French Franc	9.8375
Mongolia	Tugrik	[illegible]
Montserrat	E. Caribbean $	6.2522
Morocco	Dirham	9.00 (sg)
Mozambique	Moz. Escudo	65.095
Nauru	Australian Dollar	2.0460
Nepal	Nepalese Rupee	27.762
Netherlands	Guilder	4.65
Netherland Antilles	Antillian Guilder	4.1411
New Hebrides	Franc / Aust. Dollar	158.99 / 2.0460
New Zealand (S)	N.Z. Dollar	2.2555
Nicaragua	Cordoba	[illegible]
Niger Republic	C.F.A. Franc	491¾
Nigeria (S)	Naira	1.2737 (sg)
Norway	Norway Krone	11.64
Oman Sul'ate of (S)	Rial Omani	0.801
Pakistan	Pakistan Rupee	22.91
Panama	Balboa	2.3135
Papua N. Guinea (S)	Kina	1.6260
Paraguay	Guarani	289.53
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.790
Peru	Sol	exc (A) 551.4
Philippines	Philippine Peso	17.00
Pitcairn Islands (S)	£ Sterling / New Zealand $	2.2555
Poland	Zloty	(Cm) 63.38 / (T) 72.38
Portugal	Portug'se Escudo	112.5
Port Timor	Timor Escudo	112.5
Principe Islands	Portug'se Escudo	112.5
Puerto Rico	U.S. $	2.3135
Qatar (S)	Qatar Ryal	8.87
Reunion Ile de la	French Franc	9.8375
Rhodesia	Rhodesian $	1.6044
Romania	Leu	[illegible]
Rwanda	Rwanda Franc	203.27
St. Christopher (S)	E. Caribbean $	6.2522
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	6.2522
St. Pierre	C.F.A. Franc	491¾
St. Vincent (S)	E. Caribbean $	6.2522
Salvador El	Colon	5.80
Samoa American	U.S. $	2.3135
San Marino	Italian Lira	1894.25
Sao Tome	Portugese Escudo	112.5
Saudi Arabia	Ryal	7.79
Senegal	C.F.A. Franc	491¾
Seychelles	S. Rupee	15.23
Sierra Leone (S)	Leone	2.3859
Singapore (S)	Singapore $	4.9925
Solomon Islands (S)	Solomon Is. $	1.9483
Somali Republic	Somali Shilling	[illegible]
South Africa (S)	Rand	1.9435
South West African Territories (S)	S. A. Rand	1.9435
Spain	Peseta	152.8
Spanish ports in North Africa	Peseta	152.8
Sri Lanka (S)	S. L. Rupee	35.80
Sudan Republic	Sudan £	1.16
Surinam	S. Guilder	4.1411
Swaziland (S)	Lilangeni	1.9435
Sweden	S. Krona	9.7075
Switzerland	Swiss Franc	3.8375
Syria	Syria £	[illegible]
Taiwan	New Taiwan $	[illegible]
Tanzania (S)	Tan. Shilling	18.85
Thailand	Baht	46.80
Togo Republic	C.F.A. Franc	491¾
Tonga Islands (S)	Pa'anga	2.0366
Trinidad (S)	Trinidad & Tob' $	5.5534
Tunisia	Tunisian Dinar	0.920 (sg)
Turkey	Turkish Lira	106.833
Turks & Caicos	U.S. $	2.3135
Tuvalu	Australian $	2.0460
Uganda (S)	Uganda Shilling	n.a.
United States	U.S. Dollar	2.3135
Uruguay	Uruguay Peso	(cm) 18.52 / (fn) 18.59
Utd. Arab Emirates	U.A.E. Dirham	8.80
U.S.S.R.	Rouble	1.4520
Upper Volta	C.F.A. Franc	491¾
Vatican	Italian Lire	1894.25
Venezuela	Bolivar	9.95
Vietnam	Dong	(O) 5.0434 / (T) [illegible]
Virgin Islands U.S.	U.S. Dollar	2.3135
Western Samoa (S)	Samoan Tala	20.115
Yemen	Ryal	10.49 (sg)
Yugoslavia	New Y Dinar	42.5387
Zaire Republic	Zaire	3.5487
Zambia	Kwacha	1.735

* That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 97.167. Based on gross rates against Russian rouble. ** Rate is the transfer market (controlled). †† Rate is now based on 2 Barbados $ to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF.

Dow 4 easier at noon on interest rate worries

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—22⅛% (21¼%)
Effective $2.2135—9¼% (9¾%)

WITH INVESTORS showing fresh concern about inflation, interest rates and the economy, Wall Street plotted an easier course yesterday morning in moderate trading.

The Dow Jones Industrial Average receded 4.01 to 835.75 at noon, while the NYSE All Common Index shed 2 cents to $58.71 and declining issues held a seven-to-five ratio lead over gains. Turnover amounted to 15.27m shares against last Friday's mid-day level of 15.92m.

Closing prices and market reports were not available for this edition.

Analysts said investors are expecting further increases in interest rates. They noted that expectations are that the Prime Rate, which moved back to 11¾ per cent last week after easing to 11½ per cent for a while, may go still higher.

They added that this was doubly discouraging with the economy showing signs of being in a recession and inflation continuing at a double-digit annual pace.

General Motors, which plans to lay off over 12,000 workers to match production rates to a lower sales pace, slipped ½ to $57½.

Ford Motor lost ⅜ to $41⅜, Du Pont 1⅛ to $39⅞ and Exxon ⅜ to $54⅞.

A Federal Judge has temporarily halted Exxon's bid to acquire Reliance Electric pending a court hearing on a Justice Department anti-trust action. Reliance fell 2⅞ to $58½.

On the plus side, Pan-American World Airways topped the actives list and put on ⅛ to $8. The company said it has reached agreements to buy all the shares of National Airlines held by Texas International Airlines. These would raise Pan-Am's holding to nearly 75 per cent of National's Common stock. National rose ⅜ to $47½. Texas International gained ⅜ to $12¼ in active American Stock Exchange trading.

United Telecommunications, in second place on the NYSE actives list, picked up ¼ to $20⅛. A block of 199,900 shares were moved at $20⅛.

Texas Instruments added ⅜ at $85 on news of higher June-quarter profits.

Flintkote jumped 3½ to $47⅞. It is holding merger talks with several companies.

THE AMERICAN SE Market Value Index declined 0.80 to 198.78 at mid-day on volume of 1.49m shares (1.69m).

Cook Paint and Varnish fell 6⅛ to $27⅞ on stating that talks on the sale of its business have hit a serious setback.

Anthony Industries eased ⅛ to $11⅛ despite improved second-quarter results. Crown Central Petroleum lost $1 to $38, adjusted for a two-for-one stock split.

Canada

After last week's advance, Canadian markets declined in active early dealing yesterday, with the Toronto Composite Index losing 7.7 to 1,570.3 at mid-day.

The Oils and Gas index retreated 26.4 to 2,747.2, while Golds declined 15.3 to 1,834.6 and Metals and Minerals 5.0 to 1,321.9. In Montreal, Banks receded 2.38 to 318.60 and Utilities 0.86 to 229.38.

Dome Petroleum fell 1½ to C$47½. Gulf Canada C$1 to C$38, Falconbridge Nickel "A" ½ to C$62 and Dome Mines C$1 to C$44½.

Tokyo

Fresh active selective buying was counter-balanced by increased profit-taking yesterday and the market closed on a mixed note.

However, the Nikkei-Dow Jones Average managed an improvement of 10.34 at 6,275.31 and the Tokyo SE index finished 0.51 harder at 443.05. There was a fair business of 310m shares.

Shipbuildings were well supported on good earnings hopes following a recovery of shipbuilding orders. Mitsui Engineering and Shipbuilding rose Y12 to Y194 and Hitachi Shipbuilding Y10 to Y152.

Trading Houses were inclined to move ahead after last week's reaction, with Mitsubishi advancing Y15 to Y525 and Marubeni Y14 to Y335.

Non-Ferrous Metals, Petrochemicals, Constructions and Textiles were other firm sectors, but Energy-related issues, which improved in the morning, closed lower on balance on late profit-taking.

Export-orientated issues were irregular. Toyota Motor added Y4 at Y864 and Sony Y30 at Y1,890, but Matsushita Communication lost Y10 to Y1,730 and Pioneer Electronic Y10 to Y1,820.

Germany

Apart from the Banks sector, which closed strongly on late buying interest, shares showed no clear trend yesterday in light trading. The Commerzbank index, after gaining 5.8 last Friday, was a modest 1.8 easier at 752.1.

Dealers said the Banks were benefiting from recent favourable developments in the capital markets. Commerzbank led the sector with a rise of DM3.40, while Dresdner Bank put on DM2.50 and Deutsche Bank DM2.00.

Electricals were generally steady, but with Varta scoring an exceptional gain for the sector of DM5.00m and AEG shedding 80 pfennigs, the latter affected by several large investment funds liquidating their positions amid rumours of a re-assessment of the company's stock.

Chemicals and Motors were mixed, with Degussa gaining DM2.50 and Daimler DM1.20, but Volkswagen receding DM1.50.

Stores were steady to easier, while Machines and Utilities were broadly lower, although rarely by more than DM1.50. The weakening in the Machines sector follows several weeks of rising prices.

On the Domestic Bond market, Public Authority issues gained up to 20 pfennigs in lively trading, with Bundesbank open-market sales totalling DM20.2m nominal of stock, against DM9m sales on Friday. Mark Foreign Loans were well maintained.

Paris

Steel shares continued their upward movement in an otherwise subdued and mixed Paris market, reflecting the absence of fresh elements.

The steels group was active and strong, with Usinor advancing FFr 3.30 to FFr 16.50, Sacilor 16 per cent, Marine-Wendel 12 per cent, Chiers 9 per cent and Nord-Est 7 per cent. Operators said that investors are beginning to "believe" in the industry's restructuring plan following last week's agreement with the unions.

Oils were also generally firmer, with BP gaining 3 per cent. Elf Aquitaine rose FFr 14 to FFr 886 after news that its subsidiary, Elf Aquitaine Oman, is to develop an oil well in Oman.

Elsewhere, however, Michelin "B" declined FFr 12 to FFr 909 despite announcing increased first-half dividends and revenues. Cie Generale d'Electricite shed FFr 2 to FFr 338. Two of its subsidiaries have signed an agreement with the U.S. group Dynecor for co-operation in solar energy development.

Hong Kong

Profit-taking set in following an early fresh advance, leaving stock prices with mixed movements on balance after another large turnover.

The Hang Seng index, up 23 points last Friday, gained a further 10 points in the first two hours of trading yesterday, before ending only 1.19 firmer on the day at a new closing peak for the year of 624.40. Trading volume on the four exchanges further expanded to HK$274.44m shares from last Friday's HK$242.51m.

Green Island Cement and Cheung Kong, which reported improved interim results after the close, ended unchanged at Friday's finishing levels.

Hong Kong Land gained 25 cents to HK$9.70, Hutchison Whampoa 10 cents to HK$5.55, Sun Hung Properties 30 cents to HK$11.40 and China Light 20 cents to HK$21.90, but Jardine Matheson lost 10 cents to HK$12.70, Wheelock "A" 5 cents to HK$3.675, Associated Hotels 10 cents to HK$3.20 and Great Eagle 15 cents to HK$5.15.

Amsterdam

Narrowly mixed after slow trading.

However, RSV gained Fl 2.50 to Fl 41.00 on what dealers described as a technical upswing. One trader said he thought confidence in the stock was showing some signs of reviving following infusions of State aid earlier this year and RSV's own restructuring plans.

VMF-Stork firmed 20 cents to Fl 48.00, reflecting some renewed confidence in the future of the company.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
♦ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
◇ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Trade. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

Indices

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ||| Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Pan-Am Air.	460,800	7⅝	+⅛
Continental Air.	397,800	13¾	—½
K'fman & Broad	393,000	10	+1½
IBM	386,000	68½	—
Braniff	323,000	11½	—
Fotomat	285,200	9½	+1
Gulf West	264,800	16¾	+⅜
Travelers	258,400	40⅝	—⅛
Xtra	250,100	23⅝	+4⅜
Phillips Petrol'm	235,100	39¾	—

AUSTRALIA

July 30	Aust. $	+ or —
ACMIL (25 cents)	†0.66	
Acrow Australia	†1.00	
AMATIL $1	†2.40	
Ampol Exploration	†1.55	—0.05
Ampol Petroleum	†0.69	
Assoc. Minerals	†1.95	+0.05
Assoc. Pulp Paper $1	†1.92	+0.02
Audimco 25 cents	†0.33	
Aust. Consolidated Inds.	†1.86	
Aust. National Industries	†1.80	
Aust. Oil & Gas	†0.80	+0.05
Bamboo Creek Gold	†0.16	—0.05
Blue Metal Ind.	†1.08	
Boral	†2.22	+0.01
Bougainville Copper	†2.00	+0.05
Brambles Industries	†1.72	+0.02
Broken Hill Proprietary	†9.08	—0.02

STOCKHOLM

July 30	Price Kronor	+ or —	Div. Kr.	Yld %
AGA AB (Kr. 40)	170	+4	6	3.6
Alfa Laval(Kr.50)	120		6	5.0
ASEA(Kr.50)	72.5	+1	5	6.9
Atlas Cop. Kr25	79	+1	5.8	7.3
Billerud	61	+1	—	—
Bofors	118	+3	5	4.2
Cardo	168	+2	6.5	3.8
Cellulosa	181		11	4.6
Elec'lux 'B' (Kr50)	107		6.25	5.9
Ericsson B (Kr50)	129	+1	5.5	4.2
Esselte (Free)	155	+5	5.5	3.5
Fagersta	103	+2	4	3.9
Granges (Free)	50	+1	—	—
Handelsbanken	300		18.5	6.2
Marabou	145		9	5.2
Mo Och Domsjo	72		2.50	3.5
Sandvik 'B' Kr100	218	+5	6.50	2.6
S.K.F. 'B' Kr.50	57	+2	4.5	7.9
Skand Enskilda	125	+1	9	7.2

CANADA

Sherritt G. Mines.	10¾	10⅝
Simpson	‡3.60	‡3.50
Steel of Canada..	28⅝	28½
Steep Rock Iron.	4.00	3.95
Teck Corpn. 'B'	13¾	13⅝
Texaco Canada	69	68
Toronto Dom. Bk.	24⅞	24¾
TransCan PipeLn	22¼	22
TransMount Pipe	10⅝	10½
Trizec	‡20	‡20
Union Gas	12¼	12¼
Untd Siscoe Mnes	10	9¾
Walker Hiram	40⅛	40
West Coast Trans	14¾	14⅞
Weston (Geo.)	†24¾	24⅞

† Bid. ‡ Asked. § Traded. ‖ New stock.

BASE LENDING RATES

A.B.N. Bank	14 %
Allied Irish Banks Ltd.	14 %
Amro Bank	14 %
American Express Bk.	14 %
A P Bank Ltd.	14 %
Henry Ansbacher	14 %
Associates Cap. Corp.	14 %
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque Belge Ltd.	14 %
Banque du Rhone et de la Tamise S.A.	14½%
Barclays Bank	14 %
Bremar Holdings Ltd.	15 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14 %
Canada Perm't Trust	14 %
Cayzer Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet	14 %
Choulartons	14 %
C. E. Coates	14 %
Consolidated Credits	14 %
Co-operative Bank	*14 %
Corinthian Secs.	14 %
Credit Lyonnais	14 %
The Cyprus Popular Bk.	14 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont.	14 %
First Nat. Fin. Corp.	15½%
First Nat. Secs. Ltd.	15½%
■ Antony Gibbs	14 %
Greyhound Guaranty	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bk. of Scot.	14½%
Keyser Ullmann	14 %
Knowsley & Co. Ltd.	15½%
Lloyds Bank	14 %
London Mercantile	14 %
Edward Manson & Co.	15 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co.	14 %
Rossminster	14 %
Ryl. Bk. Canada (Ldn.)	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust	16 %
Standard Chartered	14 %
Trade Dev. Bank	14 %
Trustee Savings Bank	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

EUROPEAN OPTIONS EXCHANGE

Series			Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN	C	F.340	2	5.50	—	—	—	—	F.338.50
AKZ	C	F.30	27	0.80	18	1.30	—	—	F.27.90
AKZ	C	F.32.50	—	—	2	0.90	—	—	"
AKZ	P	F.30	—	—	1	2	—	—	"
ARB	C	F.70	—	—	3	3	—	—	F.70.50
HO	C	F.30	—	—	6	2.90	—	—	F.30.10
HO	C	F.32.50	—	—	2	1.70	—	—	"
IBM	C	$70	—	—	2	4½	1	5⅝	$68⅝
IBM	C	$75	—	—	10	2	—	—	"
IBM	C	$80	4	½	—	—	—	—	"
KLM	C	F.100	10	7	1	8.70	—	—	F.105.60
KLM	C	F.110	29	2.60	5	4.60	—	—	"
KLM	C	F.120	10	0.80	10	2.50	—	—	"
KLM	P	F.100	75	3.80	50	5	—	—	"
KLM	P	F.110	30	10.10	2	11	—	—	"
NN	C	F.110	20	1.90	—	—	—	—	F.107.10
PET	C	Fr.5800	3	230	—	—	—	—	Fr.5840
PHI	C	F.22.50	—	—	—	—	22	3.50	F.23.80
PHI	C	F.25	18	0.80	19	1.30	18	1.80	"
PHI	C	F.27.50	—	—	12	0.60	—	—	"
PHI	P	F.27.50			1	3.60	—	—	"
RD	C	F.140	6	7.80	—	—	—	—	F.144.20
RD	C	F.145	13	4.50	—	—	2	8.60	"
RD	C	F.150	26	3	62	4.10	—	—	"
RD	C	F.160	21	0.70	61	2	—	—	"
RD	P	F.135	48	1.10	—	—	—	—	"
RD	P	F.140	15	2.80	—	—	—	—	"
RD	P	F.145	4	5	—	—	—	—	"
RD	P	F.150	1	8.50	—	—	—	—	"
UNI	C	F.130	—	—	2	4.20	—	—	F.129.80
			Aug.		Nov.		Feb.		
BA	C	$40	5	2¼	—	—	—	—	$42¼
BAZ	C	$40	5	2¼	—	—	10	6½	"
BAZ	C	$45	—	—	—	—	5	3¼	"

TOTAL VOLUME IN CONTRACTS 693

C=Call P=Put

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Coffee and cocoa prices down again

By Richard Mooney

COFFEE AND cocoa futures prices moved lower again on the London market yesterday. Another £42 was added to last week's £200 fall in the September coffee price, which ended the day at £1,631 a tonne. And an £18 fall pushed September delivery cocoa to a new three-year low at £1,329.5 a tonne.

Coffee prices moved sharply lower soon after the opening but bounced up during the morning almost to their opening levels. The rally was short-lived, however.

Dealers said the market was influenced by the continued mild weather in Brazil which has ruled out frost fears in the short-term. There was little roaster buying interest, they added, and the expected support buying by the Bogota group of Latin American producers has still not materialised.

Cocoa dealers said the decline in their market reflected an overall "bearish" attitude supported by rumours that Nigeria and Ghana might resume selling soon. The September price slipped to £1,307 a tonne at one stage but steadied in late trading in response to the slight decline in sterling.

London metal markets hit by speculative selling

BY JOHN EDWARDS, COMMODITIES EDITOR

GENERAL SPECULATIVE selling, sparked off by the fall in gold, brought all-round losses on the London metal markets yesterday with trade interest at a low ebb.

Lead traded below £500 for the first time since February. The cash price fell by £23.75 to £490.25 a tonne, and its premium over the three months quotation was virtually wiped out. Cash zinc fell to the lowest level since April last year, losing £9 to £289 a tonne. Tin also declined to the lowest point for over a year with the cash price dropping by £202.5 to £6,325 a tonne. Copper cash wirebars lost most of the recent gains falling back by £15.5 to £796 a tonne.

The base metal markets were unsettled by the sharp falls in precious metals, with gold, platinum and silver all showing significant losses. Free market platinum dropped by $8.35 to £166.90 an ounce; spot silver was 8.7p down at 408.4p an ounce at the morning fixing and fell to 397p in late trading.

On the London Metal Exchange, the biggest loss, in percentage terms, was suffered by lead. Cash lead is now £210 below the all-time peak of £701 reached only six weeks ago. Reports of renewed Russian buying rallied the market last week, but there was little buying resistance yesterday in the face of persistent speculative selling.

A rise in warehouse stocks of lead, up by 200 to 22,775 tonnes, confirmed the easing of the tight supply situation. The market was depressed as well by Asarco cutting its domestic U.S. lead price by 1.5 cents to 58.5 cents a pound.

Zinc opened on an easier note following news that Metallgesellschaft, the big German producer, had cut its European producer price from $845 to $780 a tonne, in line with similar reductions announced last week by Pennaroya and Preussag.

It now seems inevitable that other producers will be forced to go back to $780 shortly if they are to remain competitive.

Tin was depressed by another fall in the Penang market over the weekend where the Straits tin price lost $M21 to $M1,880 a picul—$M70 below the new Tin Agreement "ceiling." There was also an unexpectedly large rise of 1,055 tonnes in tin stocks raising total holdings to 4,535 tones. However the fall in the cash price was less than in the three months' quotation.

Copper stocks were down by 3,750 to 175,550 tonnes—a bigger decline than expected. This helped rally the market, but prices closed on a weak note when Asarco announced a cut of 2 cents to 86 cents a lb in its domestic copper selling prices.

The build-up in nickel stocks held in LME warehouses continued with a rise of 618 tonnes lifting total holdings to 4,722 tonnes. Zinc stocks fell by 1,075 to 58,075 tonnes and aluminium by 350 to 18,125 tonnes. LME silver holdings were unchanged at 17,910,000 ounces.

Pound rise wipes out subsidies

By Our Commodities Staff

THE LAST traces of Common Market import subsidies and export levies on agricultural produce moving in and out of Britain will disappear next Monday, the Meat and Livestock Commission says in its latest market report.

The monetary compensatory amounts which are used to offset relative differences between EEC currencies and ensure equal trading conditions, have been wiped out by the continuing rise in the value of sterling.

And if the pound continues its recent climb on the foreign exchanges, Britain could face levies on food imports and paying out subsidies on its exports.

The removal of MCAs should bring several advantages for UK agriculture. First, the end of subsidies will, in theory, put British bacon and meat producers on level footing with their competitors in Denmark and Ireland.

It may also help British exporters of agricultural produce to sell abroad unhampered by the levies.

However, a strong pound with or without subsidies makes Britain an attractive market for exporters elsewhere in the Community, and at the same time lessens the attractions of UK produce for potential buyers abroad.

FARM MARKETING

New-look quango for agriculture

BY CHRISTOPHER PARKES

WITH HIS nomination of five free-range farm marketeers, Mr. Peter Walker, Minister of Agriculture, yesterday founded the first of what could be a new breed of quango. His Quasi-autonomous Non-governmental Group of Individuals is the Minister's version of the more substantial and traditionally-based investigative committee on farm marketing promised in the Labour administration's declaration on agricultural policy.

The unpaid team will investigate and advise on weaknesses in the marketing of farm produce in Britain, seek export outlets, and Mr. Walker hopes, establish a working style worthy of imitation elsewhere in Whitehall.

Mr. Walker clearly agrees with the last Government's thesis that there are many faults in the marketing of the produce of farmers who boast that they are among the most efficient in the world.

The style of his initiative shows some of the innovatory flair that might be expected of an ambitious Cabinet politician. But its substance only accentuates the despair felt by many at the failure of the UK industry to respond adequately to the inroads made into its market by foreign suppliers.

Uncounted organisations, politicians and specialist companies have been struggling for years with the problems which have been greatly aggravated by the opening up of the British market to European exporters.

It is interesting that with such a wealth of experience at or close to his command, Mr. Walker should look beyond the customary authorities for his advice. At his Press conference he repeatedly stressed the need for "lively" minds, and he is particularly keen that the team should not become bogged down in lengthy meetings with formal groups and organisations.

Almost as if he acknowledged the creative bankruptcy of the existing sources, he has let his marketeers loose on the industry without a formal leader, without a firm brief and without a timetable. They will be free to contact anyone they choose, including the Press, with their ideas and recommendations, and have free access either singly or as a group to Mr. Walker himself.

There can be no doubt that much has been done to improve marketing standards, but equally there is no doubt that British agencies are fighting a losing battle. In some cases the struggle against opposition at home has been almost as difficult as that against the overseas invaders.

Take, for example, the Meat and Livestock Commission, the meat industry's main advisory body, which monitors markets at home and world-wide. At present it is battling for survival against farmers and meat processors who resent paying the levies needed to keep it going.

The British Agricultural Export Council recently had a narrow escape in similar circumstances.

And now Agricultural Co-operation and Marketing Services (ACMS), a semi-quango part-funded by the Government and run largely by the National Farmers' Union, is getting into a tangle as the Government subsidies are gradually reduced.

The NFU is taking a close look at its functions and cost, and decisions on its future are expected before the end of the year.

Exports of British farm produce have been going surprisingly well in the past couple of years, but even here, a large part of the success can be attributed to a series of happy accidents rather than any deliberate marketing strategy on the part of agencies in Britain.

At home the French, Dutch and others have shown what effective promotion, packaging, market research and hard selling can do. By contrast the British industry as a whole lacks aggression and organisation. Witness the debacle earlier this year when in an unusual fit of self-examination, the National Farmers' Union berated fruit growers for marketing immature, battered, under-sized apples in grubby old boxes in competition with pristine supplies from France, Holland and Italy.

If the novel, personalised initiative adopted by the Minister goes some of the way towards bridging the gaps, Mr. Walker might then be in a position to inject the guts and muscle needed to bond the sectors into a more workmanlike entity able to compete effectively in its new circumstances.

Australian Wool Corporation chairman dies

By Our Commodities Staff

MR. ALFRED MAIDEN, chairman of the Australian Wool Corporation (AWC) and of the International Wool Secretariat (IWS), died at his home in Melbourne yesterday aged 56.

An IWS statement issued in London said Mr. Maiden was believed to have contracted a respiratory infection during a recent business trip to South Africa.

After serving as commercial counsellor at Australia's Washington Embassy he became permanent secretary at the Department of Primary Industries in 1962.

He was appointed managing director of the IWS in 1969 and took over the chairmanship four years later. At the same time he became AWC chairman.

Mr. Maiden, who was made a CBE in 1965 and was voted Man of the Year in Australian Agriculture in 1976, leaves a widow, a son and a daughter.

Swing to 'fresh chickens'

BY OUR COMMODITIES EDITOR

A SWING towards "fresh," instead of frozen, products is bringing big changes to the British poultry industry, according to Mr. Michael Broadhead, marketing and sales director of Farmer's Table, part of the Fitch Lovell group.

Mr. Broadhead, speaking in London yesterday, claimed that in the first four months of 1979, sales of fresh whole chickens rose by 17 per cent over a year ago to capture 37 per cent of total sales, while frozen chicken sales fell by 5 per cent. This was in spite of the fact that the price of fresh chicken maintained a hefty premium of around 10p a pound above the average frozen price of 45p a pound.

At the same time, sales of fresh chicken portions jumped by 18 per cent in January-April this year, compared with the same period of 1978, while frozen portion sales fell by 1 per cent to 57 per cent of the total portions market.

The company claims that future expansion of the chicken market lies mainly in portions which have expanded in the past three years to account for 18 per cent of total chicken sales.

But it is also forecast that fresh whole chicken and portions will continue to gain ground at the expense of frozen products, bringing a need for different distribution and marketing methods.

Total chicken retail sales rose by 9 per cent last year to 304,800 tonnes, worth £317m. But this followed a heavy drop of 12 per cent in 1977 and volume sales were still below 1976 levels. Volume sales of whole chickens last year were 7 per cent down on 1976, but sales of portions increased by 18 per cent.

U.S. silver production up

WASHINGTON—U.S. MINE production of silver in May totalled 3.24m troy ounces, 3 per cent above the 3.16m ounces mined in April, the Department of Interior said.

The daily average rate of production during the month was 104,511 ounces, compared with 105,357 in April, the Department's Bureau of Mines reported.

U.S. silver imports in May totalled 7.9m ounces, 92 per cent above the 4.1m in the previous month.

Exports, at 1.6m ounces, of which 53 per cent was bullion to Japan and about 26 per cent waste, scrap, and sweepings, went mainly to Canada, Britain and Belgium-Luxembourg. In April 879,000 ounces were exported.

Reuter

Lamb import curbs expected

By Our Commodities Staff

THE FRENCH Government is expected to ban imports of British lamb from today because market prices in France have fallen.

The French aim to prevent imports from further undermining the market, which has been depressed as sheep slaughterings approach seasonal peak, and the Meat and Livestock Commission estimates that no further import licences will be issued at least until August 3.

The European Court of Justice is currently examining the legality of the French system, which also includes levies on UK shipments when the market is open.

Producer doubts on commodity pacts

COMMODITY PRODUCING countries had reason to doubt the willingness and goodwill of consumer countries to agree fair terms for international commodity pacts, Mr. Paul Leong, the Malaysian Primary Industries Minister, said in Kuala Lumpur yesterday.

He noted that some major consumers appeared unprepared during recent negotiations, reported Reuter.

But he praised the "positive and meaningful" role played by Japan at the recent International Tin Council talks in London.

In a statement issued after a meeting with tin smelters, Mr. Leong said he hoped other major tin consuming countries would be more positive and constructive.

Consuming countries must accept that key elements in the commodity agreements, such as buffer stock price ranges, must be realistic if they are to ensure against unpredictability in price movements, he said.

At the Tin Council meeting producers had sought a buffer stock "floor" price of $M1,850 and a "ceiling" of $M2,400, but consumers would only agree to a $M1,500/1,950 price range. The producers claim the new "floor" is still below the average production cost of tin.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange reflecting the sharp declines in lead, gold and silver. After opening around £825 forward metal eased to £820 in the morning as bull liquidation was offset by modest fresh buying following the slightly larger than forecast decrease in warehouse stocks. However, in the afternoon the price fell sharply to close the late kerb at the day's low of £808 as renewed bull liquidation triggered stop-loss selling. Turnover, 12,125 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	795-.5	-15.5	795-7	-15.5
3 months	821.5-.2	-11	813.5-4	-16
Settlem't	796	-15		
Cathodes				
Cash	784-.5	-9.5	775-.7	-18
3 months	804-.5	-9.5	795.5-6	-16
Settlem't	785	-10		
U.S. Prod.			*84-87	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £804, three months £818, 19, 20, 21.5, 22. Cathodes, cash £784, three months £804. Kerb: Wirebars, three months £821, 20. Afternoon: Wirebars, three months £816, 15.5, 15, 14, 13.5. Kerb: Wirebars, three months £814, 13, 12, 10, 11, 12, 13, 12.

TIN—Lower owing to a substantial rise in stocks and a sharp decline in the Penang market. Forward metal opened at £6,430 and fell away to around £6,360 in the early afternoon before rallying to close the late kerb at £6,400 following covering against U.S. physical business. Turnover, 1,380 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6330-50	[illegible]	6320-30	[illegible]
3 months	6370-80	[illegible]	6370-80	[illegible]
Settlem't	6350	[illegible]		
Standard				
Cash	6330-40	[illegible]	6320-30	[illegible]
3 months	6370-5	[illegible]	6370-80	[illegible]
Settlem't	6340	[illegible]		
Straits E.	$1880	[illegible]		
New York				

Morning: Standard, cash £6,340, three months £6,380, 6,400, 6,350, 80, 70, 80, 75. High Grade, cash £6,380. Kerb: Standard, three months £6,370. Afternoon: Standard, cash £6,350, three months £6,400, 6,380, 90, 80, 90. Kerb: Standard, three months £6,360, 70, 80, 6,400, 6,390.

LEAD—Fell heavily as fresh bull liquidation touched off stop-loss selling. Forward metal opened at £508 and quickly came down to £486 at which level trade support was reported. This steadied the market and forward metal edged higher in the afternoon to close the late kerb at £488.5. Turnover, 6,975 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	494.5	-30	489.5-91	-25¼
3 months	493.4	-23	489.5-90	-17½
Settlem't	495	-35		
U.S. Spot			*58-62	

Morning: Three months £494, 95, 86, 88, 87, 90, 92, 94, 93, 94. Kerb: Three months £490, 89, 90. Afternoon: Three months £486, 87, 88, 89, 88.5, 87, 88, 88.5, 90, 89. Kerb: Three months £488.5, 88, 86, 78, 85, 89.

ZINC—Gave ground in line with other metals. After opening at £309 forward metal dipped to £297, reflecting lack of interest, but later recovered marginally to close the late kerb at £302.5. Turnover, 4,575 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	290-.1	-7.87	289-.5	-9
3 months	300-.1	-7	298-.5	-9
S'ment	291	-7		
Primw'st			*39.5	

Morning: Three months £298, 99, 300, 301. Kerb: Three months £297. Afternoon: Three months £296, 97, 98, 99, 300. Kerb: Three months £297.5, 98, 99, 300, 1, 2.

ALUMINIUM—Down with sentiment affected by the weakness of other metals. Forward metal was marked down to £654.5 in the morning but met trade and investor buying pressure in the afternoon to close the late kerb at £648. Turnover, 4,500 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	658-9	-12.5	649-51	-6.5
3 months	653-4	-11.2	646-.5	+.1

Morning: Cash £659, three months £656, 55.5. Kerb: Three months £650, 49. Afternoon: Three months £651, 50, 48.5, 48, 46, 47, 46, 45.5, 46. Kerb: Three months £647.5, 47, 48, 49.

NICKEL—Easier in quiet trading and mainly reflecting the downturn in other metals. Forward metal moved narrowly before closing the late kerb at £2,530. Turnover, 1,116 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2480-500	-15	2480-90	-25
3 months	2540-50	-8.5	2535-40	-17.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £2,550, 40, 45, 50, 40, 35. Kerb: Three months £2,530, 40. Afternoon: Three months £2,550, 30, 35, 40, 38, 40. Kerb: Three months £2,530, 30, 35.

SILVER

Silver was fixed 8.7p an ounce lower for spot delivery in the London bullion market yesterday at 408.4p. U.S. cent equivalents of the fixing levels were: spot [illegible], down [illegible]; three-month [illegible]; six-month [illegible]; and 12-month [illegible]. The metal opened at 406-408p ([illegible]) and closed at 395-397p ([illegible]).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	408.40p	-8.7	395.95p	-5.8
3 months	418.10p	-7.3	405.95p	-14.7
6 months	424.20p	-8.2		
12months	442.50p	-8.5		

LME—Turnover 232 (119) lots of 10,000 ozs. Morning: Three months 412.6, 12.8, 13, 12.5, 12.2, 12.3, 12.1, 2.3. Afternoon: Three months 407.5, 7.3, 7, 6.8, 6.5. Kerb: Three months 407, 6.8, 7, 6.8, 6.6, 6.5.

COCOA

Cocoa futures eased further on new contract lows before mixed buying and short-covering rallied values at the close, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
July	1295-1315	-15.0	1309-1290
Sept	1329-1331	-17.5	1346-07
Dec	1396-1398	-18.5	1415-1376
March	1446-1447	-15.0	1460-35
May	1471-1476	-14.5	1480-50
July	1501-1505	-4.5	1505-1480
Sept	1515-1530	-6.5	1510-07

Sales: 2,748 (2,064). International Cocoa Organisation (U.S. cents per pound): Daily price for July 27: 147.27 (141.25). Indicator prices for July 30: 15-day average 146.08 (146.55); 22-day average 149.26 (149.88).

COFFEE

Robustas opened £30 down on early Commission House selling. But the market was well supported by good trade buying around the lower levels to prompt a steadier tone to the morning's activity, reported Drexel Burnham Lambert. In the afternoon an easier opening in New York was influenced by [illegible] and values at the close were £41 to £70.5 lower from Friday's close.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1592-1600	-41.0	1635-1585
September	1631-1632	-42.0	1660-1625
November	1595-1600	-38.0	1626-1585
January	1560-1565	-38.5	1588-1550
March	1520-1525	-37.0	1545-1505
May	1500-1505	-38.5	1516-1512
July	1571-1580	-70.5	1640-1600

Sales: 8,157 (7,021). ICO indicator prices for July 27 (U.S. cents per pound): Other Mild Arabicas 195.0 (200.33); Robustas ICA 1976 180.25 (187.0); ICA 1968 180.25 (187.75); Colombian Mild Arabicas 200.0 (205.00); Unwashed Arabicas 199.0 (202.0). Comp. daily ICA 1968 183.25 (187.87).

GRAINS

The market opened 25 lower but moved up to 45 points lower on nervous liquidation because of the widespread but, generally, the market found steady support and closed about steady between 15-30 points lower, reported Acli.

	WHEAT		BARLEY	
Mnth	Yesterd'y's close	+ or —	Yesterd'y's close	+ or —
Sept.	92.10	-0.55	87.55	-0.50
Nov.	96.35	-0.25	91.65	-0.55
Jan.	100.50	-0.15	95.95	-0.35
Mar.	103.90	-0.20	99.40	-0.30
May.	107.20	-0.25	102.45	-0.25

Business done—Wheat: Sept. 92.00-91.95, Nov. 96.20-96.05, Jan. 100.55-100.40, March 103.90-103.70, May 107.20-107.00. Sales: 84. Barley: Sept. 87.60-87.35, Nov. 91.65-91.45, Jan. 95.95-95.80, March 99.20-99.00, May 102.45. Sales: 143.

HGCA—Average UK ex-farm spot prices for week ended Thursday, July 26. Feed Wheat: 82.30 (−4.0). Feed Barley: 84.40 (−4.4).

The UK Monetary Coefficient for the week beginning Monday, August 6, is expected to decrease to 1.000.

IMPORTED—Wheat: CWRS No. 1, 13½ per cent, unquoted. U.S. Dark Northern Spring No. 2, 14 per cent, Aug. and Sept. 93.75, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Aug. 96.50, transhipment East Coast. EEC unquoted. Maize: U.S./French July unquoted; Aug. 107.50; Sept. 109, transhipment East Coast. S. African White unquoted. S. African Yellow Aug. 82.00 nom. Barley: English feed fob Aug. 89.50 South Coast, Sept. unquoted, Oct.-Dec. 94 East Coast, Jan.-March 100.50 East Coast. Sorghum: U.S./Argentine oats unquoted. Scandinavian feed unquoted.

RUBBER

The London physical market opened easier. Little interest throughout the day, closing on a weak note. Lewis and Peat reported a Malaysian godown price of 294 nom. (295) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept.	58.70-59.00	58.50-58.90	59.90-58.68
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	[illegible]
Oct-Dec	[illegible]	[illegible]	[illegible]
Jan-Mar	[illegible]	[illegible]	[illegible]
Apr-Jne	[illegible]	[illegible]	[illegible]

Sales: 325 (318) at 15 tonnes, 17 at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.00p (same); Sept. 62.75p (62.75p); Oct. 62.50p (62.25p).

SOYABEAN MEAL

The London market opened with losses of £2 on continued good growing conditions in U.S. Chart and technical selling throughout the day put additional pressure on the market, reported T. G. Roddick. This coupled with reserved consumer interest enabled the market to close weak and on contract lows.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
August	[illegible]	-3.4	[illegible]
October	[illegible]	[illegible]	[illegible]
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]

Sales: 71 (82).

SUGAR

LONDON DAILY PRICE (raw sugar): £93.0 (£92.0) a tonne cif for July-Sept. shipments. White sugar daily price was £97.0 (£94.0).

Scattered Commission House short-covering lifted prices some 75 points above pre-weekend levels during the early morning. Later, however, the New York market failed to match-up and losses of some 150 points were quickly recorded in thin trading conditions. Arbitrage buying then developed and half the losses were recovered by the close, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yester-day's Close	Previous Close	Business Done
	£ per tonne		
Oct.	101.15-01.25	100.90-101.3	102.25-100.5
Dec.	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug.	[illegible]	[illegible]	[illegible]
Oct.	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]

Tate and Lyle ex-refinery price for granulated basis white sugar was £346.50 (same) a tonne for home trade and £161.50 (£161.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 27: Daily price 8.19 (8.29); 15-day average 8.54 (8.57).

WHITE SUGAR—Close (in order buyer, seller, business, sales): [illegible]

TEA AUCTION

LONDON—52,459 chests were offered at yesterday's auction. Assams and Africans opened to a strong and general demand, with prices often 2p to 5p dearer and colourys dusts 2 to 3p dearer. Plain sorts tended lower. Later, demand became a little less general but prices were generally firm to dearer except plain teas, which closed 2p to 3p easier. [illegible] Price indications for the week: Quality 137p a kilo (134p); Medium 107p (106p); Plain 58p (60p).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 170 tonnes. Users were [illegible]

PRICE CHANGES

In tonnes unless otherwise stated

	July 30 1979	+ or —	Month ago
Metals			
Aluminium	£701/50		£701/50
Free Mkt (cs)	$1580/40		$1,580/60
Copper			
Cash w'bar	£795.5	-15.5	£806.5
3 mth	£813.75	-16	£831.5
Cash Cathode	£776	-18	£780.5
3 mth	£795.75	-16	£801.5
Gold troy oz	$301.375	-4.75	$282.125
Lead Cash	£490.25	-23.75	£608.0
3 mth	£489.75	-17.75	£575.5
Nickel	£2750		£2,725.4
Freemkt(cif)(lb)	$255/270c		$260/70c
Platin'm tr'y oz	£155.5		£155.5
Free mkt	£166.90	-8.35	£155.15
Quicksilver	$275/285		$265/305
Silver troy oz	408.40p	-8.7	397.20p
3 mths	418.10p	-7.3	406.50p
Tin cash	£6,325	-202.5	£7,470
3 mths	£6,375	-177.5	£6,995
Tungsten	$144.13		$146.61
Wolfr'm 22.04 cif	$134/140		$138/43
Zinc cash	£289	-9	£332.5
3 mths	£299.75	-9	£343.5
Producers	$845		$845
Oils			
Coconut (Phil)	$1,090u		$1,150
Groundnut			
Linseed Crude	£395		£415
Palm Malayan	$654.50	-2.5	$672.5y
Seeds			
Copra Philip	$765y		$790
Soyabean (U.S.)	$317.75z	-2.25	$318
Grains			
Barley Futures	£91.65	-0.30	£91.25
Maize French No3 Am			£109.5
Wheat No. 1 Red Spg	£93.0		
No2Hard Wint	£96.50		
Eng. Milling t			
Other commodities			
Cocoa ship't	£1,425	-17.5	£1,696
Future Sept	£1,330	-17.5	£1,598
Coffee Ft Sept	£1,631.5	-42	£1,800
Cotton A Index	77.40c	-0.25	76.55c
Rubber kilo	60.75p		60.75p
Sugar (Raw)	£93	+1.0	£101.5
Wooltp's 64s kl	282p		271p

* Nominal. † New crop. ‡ Unquoted. x Indicates [illegible] u Aug. y Aug.-Sept. z Sept. w Sept.-Oct. v Oct.-Nov. s Buyer.

WOOL FUTURES

BRADFORD—Market inquiry is seasonally quiet, although deliveries are satisfactory. Prices remain poor.

LONDON GREASY—Close (in order buyer, seller only): July 218.0, 28.0; Oct. 218.0, 32.0; Dec. 218.0, 28.0; March/May/July/Oct. and Dec. 228.0, 28.0.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only): July 160.0, 77.0; Oct. 180.0, 83.0; Dec. 180.0, 83.0; March 180.0, 89.0; May/July/Oct. and Dec. all 180.0, 91.0.

SYDNEY GREASY—Close (in order buyer, seller, business, sales): Micron contract: Oct. 404.0, 404.5, 408-404.0; Dec. 409.7, 410.0, 413.0-409.5; March 416.0, 417.0, 418.0-416.5; May 418.0, 418.5, 422.0-418.0; July 420.0, 420.5; Oct. 421.0-420.0; Dec. 423.0, 423.0; [illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets, week ending July 28. GB: cattle 81.05p per kg l.w. (+1.31). UK: sheep 141.3p per kg. est. d.c.w. (−3.8). GB: pigs 55.7p per kg. l.w. (−0.1). England and Wales: Cattle numbers down 4.4 per cent, average price 80.01p (+1.3). Sheep numbers up 2.0 per cent, average price 141.5p (−3.6). Pig numbers down 2.4 per cent, average price 55.5p (−0.3). Scotland: Cattle numbers up 10.4 per cent, average price 84.32p (+2.3). Sheep numbers up 13.6 per cent, average price 138.7p (−3.5). Pig numbers up 5.8 per cent, average price 61.3p (−0.3).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 62.0 to 67.0. Eire hindquarters 78.0 to 80.0, forequarters 40.0 to 42.0. Veal: Dutch hinds and ends 90.0 to 98.0. Lamb: English small 58.0 to 64.0, medium 56.0 to 62.0, heavy 54.0 to 58.0. Imported frozen: NZ PL 49.0 to 50.0, PM 48.0 to 49.5. Pork: English, under 100 lb 35.0 to 44.0, 100-120 lb 35.0 to 43.0, 120-160 lb 34.5 to 42.0.

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Sth. African: Navels 4.80-6.30; Brazilian: 4.00-4.40; Californian: 6.80-8.80. Lemons—Italian: 100/120s 5.50-6.00. Spain: Trays 30/40/45 2.10-2.60. Grapefruit—Jaffa: Summer crop 4.50; Sth. African: 27/72 3.70-5.70. Apples—Sth. African: Granny Smith 5.50-6.20, Starking 4.50, York 5.00-5.50, Golden Delicious 5.00-5.80; New Zealand: Red Dougherty 6.80-7.00, Granny Smith 7.00-7.40, Sturmers 5.40-5.50, 20 lb Democrats 2.70; Crofton 2.80-3.00; Tasmanian: Sturmer Pippins 4.50-5.00, Cox 5.50-6.50. Starking 5.20-5.20, Granny Smith 5.50-5.20; Victorian: Granny Smith 6.50, Democrats 5.00; W. Australian: Granny Smith 6.00; Italian: Rome Beauty 0.08; Democrats 0.09. [illegible] Pears—Victorian: Winter Nelis 3.50-4.00; Spanish: Limonera 3.40; Italian: [illegible] Plums—Italian: Burbanks 0.20-0.30, Santa Rosa 2.40-2.80. Grapes—Cyprus: Cardinal per lb 0.35, Sultana 0.25-0.30, Rosaki 0.40, Thompson 0.35. Alphonso 0.40.

AMERICAN MARKETS

NEW YORK, July 30.

PROFIT-TAKING in gold and silver turned into massive liquidation, locking both metals down the limit. With many longs trapped in the market, the bearish psychology spread into most other commodities. The soya complex and wheat were sharply lower, while maize was down the limit or close to it. Copper followed down the limit on speculative liquidation and profit-taking. Coffee prices, with a limit decline, are establishing a new, downward trend. The cocoa and sugar markets were also lower on general market psychology. The cotton market was down in sympathy with the grains, but showed relative strength. The livestock complex was mixed with cattle sharply higher and the pork futures sharply higher, Heinold reported.

Copper—Aug. 81.00 (84.10), Sept. 81.70 (84.70), Dec. 82.90, Jan. 82.30, March 83.30, May 83.75, July 84.20, Sept. 84.65, Dec. 85.50. [illegible]

Live Cattle—Aug. 65.10, Oct. 64.75, Dec. 66.50 asked. Sales, 39,777.

Live Hogs—Aug. 35.40-35.60 (35.07-35.50), Oct. 32.35-32.15 (31.80-32.25), Dec. 33.52-33.40, Feb. 35.30-35.05, April 35.00-34.90, June 38.70, July 39.40 asked, 39.00, Aug. 38.15 asked, 38.90.

[illegible]

EUROPEAN MARKETS

ROTTERDAM, July 30. Wheat—U.S. No. 2 Dark Hard Winter 13.5 per cent Aug. $205. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Aug. $191, Sept. $197. U.S. No. 2 Northern Spring 14 per cent Aug. $195, Sept. $197, Oct. $199.25, Nov. $201, Dec. $207. Maize: U.S. No. 3 Corn Yellow afloat $144.50, July $144.50, Aug. $145, Sept. $146, Oct./Dec. $147.25, Jan./March $154, April/June $158.25.

PARIS, July 30. Cocoa (FFr per 100 kilos): July 1320, Sept. 1335/1350, Dec. 1350/1390, March 1380/1390, May 1380, July 1385. Sales at call 3. Sugar (FFr per 100 kilos): Oct. 970/971, Nov. 985/975, Dec. 1028/1033, March 1103/1105, May 1122/1125, July 1145/1166, Aug. 1158/1175, Oct. 1175/1195. Sales at call 18.

INDICES

FINANCIAL TIMES

July 27	July 26	M'nth ago	Year ago
278.39	281.02	293.56	255.45

(Base: July 1, 1952=100)

MOODY'S

July 26	July 25	M'nth ago	Year ago
1084.0	1082.9	1097.4	916.3

(December 31, 1931=100)

DOW JONES

Dow Jones	July 27	July 26	Month ago	Year ago
Spot	404.05	408.43	420.31	352.59
F'tur's	408.00	412.92	432.58	357.82

(Average 1924-25-26=100)

REUTERS

July 30	July 27	M'nth ago	Year ago
1539.9	1557.7	1608.2	1429.4

(Base: September 18, 1931=100)

Prediction of further rise in UK interest rates leads to widespread falls—Share index loses 7.2 more at 451.0

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
July 16	July 26	July 27	Aug. 6
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sept. 3

* "New time" dealings may take place from 9.30 am two business days earlier.

Fears of even higher interest rates undermined sentiment in stock markets yesterday at the start of a new Account. Falls ranging to ½, after a full point, were seen in long-dated Gilt-edged and widespread losses were sustained by equity shares. The worries followed Barclays Bank view that borrowing demand is unlikely to ease in the near future and that a further rise from the current near-record level of interest rates is likely.

Owing to technical problems it was not possible to calculate yesterday's F.T.-Actuaries share indices.

A report of a forthcoming warning from the CBI of poor company profitability this year which may bring a decline in investment by manufacturing industry also served to unsettle leading shares which eased throughout the session and generally closed at the day's lowest. The FT Government Securities index shed 0.45 for a four-day loss of 1.48 at 72.48 and, following last week's drop of 13 points, the Industrial Ordinary share index ended with a fall of 7.2 to 451.0—within 5 points of its 1979 low of 446.1 which was recorded on February 12. Selling was not heavy and some dealers were lowering their prices in an attempt to find a trading level, but virtually no support was forthcoming. Falls in FT-quoted industrials outnumbered rises by 6-to-1, many of the firm spots reflecting weekend Press comment or trading statements.

Barclays Bank's warning of a further rise in interest rates set the seal for another poor day in Gilt-edged. Long-dated stocks came under selling pressure at the opening and quotations were widened and lowered by around a point. The mark-down, however, appeared to deter the majority of sellers and prices gradually rallied to close ½ above the worst. The recently-issued £15-paid long tap, Treasury 11¾ per cent 2003-07 touched 13⅛ before settling at 13½ for a loss of ⅞ on the day. Shorts followed a similar pattern and closed with falls ranging to ⅛, after ¼.

A small business was effected in the investment currency premium which moved narrowly throughout the day to close a fraction harder at 22½ per cent. Yesterday's SE conversion factor was 0.9109 (0.9210).

Interest in Traded options remained at a low ebb, a total of 353 contracts being completed against Friday's 412. Imperial, 95 deals, and Cons. Gold Fields, 65, attracted the most business.

Banks dull

Still reflecting disappointment with the recent crop of interim statements, the major clearing banks gave further ground. Comment on last Friday's first-half results prompted a fresh reaction of 5 to 340p in Midland, while Barclays lost 7 to 418p. Lloyds declined 9 to 280p and NatWest closed 8 cheaper at 315p. Hire Purchases drifted lower on dearer money fears. Wagon Finance lost 3 to 37p and Lloyds and Scottish relinquished 2 to 110p as did London Scottish Finance, 55p, and Provident Financial, 83p. Among merchant banks, Keyser Ullmann at 64p, gave up 2 of its recent good speculative rise which followed revived take-over rumours. Hambros receded 6 to 296p but Manson Finance, which last week reported satisfactory annual results and a proposed 1-for-3 scrip issue, rose 6 to 50p.

Insurances drifted lower on small selling and lack of support. Pearl fell 8 to 242p, while Stewart Wrightson, 176p, and Phoenix, 216p, declined 6 apiece. Willis Faber gave up 5 to 185p as did Eagle Star, to 133p.

A preponderance of small sellers left the Brewery majors easier, Bass, 222p and Whitbread, 130p shedding 2 apiece. Recent speculative counters came in for profit-taking. Sandeman gave up 2 to 85p, Luis Gordon, 3 at 42p and Matthew Clark 6 to 142p. Distilleries closed easier for choice, Arthur Bell falling 4 to 162p. Half-time results from Macdonald Martin had no apparent effect, the shares closing unchanged at 555p.

A particularly firm market of late on the excellent annual profits, Magnet and Southerns encountered profit-taking and shed 7 to 210p, while Burt Boulton, still reflecting the reduced dividend and profits, lost 5 more to 165p. Elsewhere in Buildings, Tarmac came on offer and gave up 5 to 167p, while Marley and Montague L. Meyer eased 3 apiece to 80p and 89p xd respectively. Taylor Woodrow, interim results on Thursday, slipped 2 to 346p and Brown and Jackson declined 13 to 267p. Against the trend, Burnett and Hallamshire "A" attracted buyers and improved 15 to 445p, while Parker Timber hardened a couple of pence to 180p, the latter on Press comment highlighting bid possibilities. Leyland provided a particularly dull spot in Paints, falling 5 to 48p in a thin market.

Further concern about the overseas competitive position of ICI left the shares 3 cheaper at 316p. Among other Chemicals, Carless Capel firmed 3 to 50p, after 51p; the Department of Energy is expected to issue an on-shore oil exploration licence to the company today.

Waring & Gillow up

Apart from Waring and Gillow, which rose 7 to 145p on a Press forecast that the group will announce bumper preliminary profits tomorrow, Stores drifted lower on lack of interest. Marks and Spencer cheapened 3 to 108p and House of Fraser declined 4 to 164p. James Beattie "A" gave up 7 to 173p, Harris Queensway 6 to 254p and Foster Bros. 4 to 120p.

Electricals mirrored the general dull trend, closing with falls ranging to 12. Racal Electronics ended that much lower at 415p, while Thorn cheapened 8 to 416p and GEC declined 6 to 350p. EMI, 95p, and Plessey, 106p, eased 2 apiece. Electrocomponents finished 5 down at 415p and Unitech closed 7 lower at 180p; the latter's preliminary results are due on August 17.

Sporadic selling and lack of support caused fresh dullness in the Engineering sector. John Brown gave up 11 to 415p, while Tubes, down 6 at 328p, were not helped by adverse Press mention. Falls were fairly widespread throughout secondary issues. Simon Engineering, 238p, and Startrite, 160p, reacted 10 apiece, while losses of 7 were recorded in Williams and James, 185p, and Stothert and Pitt, 168p. Bullough, down 11 more at 213p xd, remained unsettled by the profits warning, while Mining Supplies continued to reflect disappointment with the preliminary figures and gave up 4 more to 74p. Babcock and Wilcox eased 4 to 133p and S. W. Wood closed a similar amount lower at 42p in smaller-priced issues.

In quietly dull Foods, Tate and Lyle shed 4 to 138p; the company plans to close its Walkers sugar cane refinery at Greenock in Scotland. Despite Press comment highlighting bid possibilities, Spillers eased 1½ to 39p. Speculative favourite Bernard Matthews encountered profit-taking and shed 8 to 274p, but Hillards, ahead of tomorrow's annual results, hardened 2 to 330p.

Trusthouse Forte issues turned weak on a Press sell recommendation with the ordinary dropping 10 to 132p and the Warrants falling 7 points to 27. Miscellaneous Industrial leaders began the new Account in the same dull manner as they had closed the old. Further small selling left falls ranging to 14. Pilkington closed that much off at 303p, while Glaxo, 435p, and Unilever, 494p, receded 5 and 4 respectively. Boots dipped 4 to a 1979 low of 177p and Reed International cheapened 3 to 155p. Elsewhere, Gripperrods stood out with a speculative rise of 7 to 134p, while favourable Press comment drew buyers' attention to Gomme which finished 5½ to the good at 53½p. Valor hardened 2 to 88p for a similar reason and J. and J. Dyson "A" improved 2½ to 49½p on further consideration of the results. Recently supported on bid hopes, Hensher "A" edged forward a penny more to 60p on an investment recommendation and Wilkins and Mitchell were firm at 45p, up 3. BTR, however, declined 10 to 304p following profit-taking after last week's good results and—on market suggestions that the group will substantially increase its offer for Bestobell; the latter eased 2 to 210p. Dunbee-Combex-Marx declined 2 to 46p following the annual report and ICL lost 5 to 425p awaiting further news of the pending sale by the NEB of its 24.42 per cent stake. Diploma Investments dipped 10 to 304p, while Initial Services, 106p, and Ley Group, 296p, cheapened 7 apiece.

Caledonian Associated Cinemas advanced 35 more to 710p in a thin market as bid rumours persisted.

Motor sectors displayed a dull appearance. Components were quiet and closed with falls to 6, although Supra put on a penny at 62p helped by favourable Press comment. Among Distributors, Henlys lost 4 at 99p. Rolls-Royce remained under pressure, relinquishing 2 to a new low for the year of 87p.

Worries about a further rise in interest rates prompted early selling of leading Properties, but prices subsequently steadied at up. Land Securities ended 7 cheaper at 278p and MEPC shed 5 to 174p, while Great Portland Estates lost 4 to 312p and Stock Conversion 8 to 354p xd. Awaiting today's interim results, City Offices eased 2 to 81p. Bernard Sunley provided an isolated firm spot, rising 8 to 390p on Press suggestions of an asset revaluation. Bank and Commercial opened at 350p following the capital reconstruction, but reacted to close at 280p after thin trading.

Oils quietly dull

Oils were inclined easier in an extremely quiet trade. British Petroleum drifted off to close 5 lower at 1,205p, while Shell eased a few pence to 334p, the latter's interim figures are due tomorrow. Among the more speculative issues, Lasmo eased 4 to 218p and Tricentrol 2 to 208p, but Oil Exploration closed without alteration at 338p, after touching 334p in the early dealings.

James Finlay fell 3 to 86p unsettled by Friday's stormy meeting at which a group of shareholders protested over reported poor conditions and pay on Finlay's tea estates.

Against the dull trend evident elsewhere in Trusts and Financials, Britannia Arrow edged forward a penny to 20p in response to favourable Press comment.

Shippings opened the new Account on a dull note, drifting lower on lack of fresh support. Furness Withy led the retreat at 268p, down 8, while Reardon Smith ordinary cheapened 6 to 127p with the "A" losing 4 to 70p and British and Commonwealth relinquished 5 to 338p.

Interim profits in excess of most analysts forecasts and the proposed one-for-three scrip issue left Nottingham Manufacturing 2 up at 131p, after 132p. Other Textiles drifted lower in quiet trading. Coats Patons continued dull, easing 1½ to 64½p, while speculative issues, Tricoville, 75p, and David Dixon, 156p, fell 2 and 6 respectively, while the recent weakness of the Irish punt caught up with Youghal Carpets, 4 off at 30p, and Sunbeam Wolsey, a like amount easier at 40p.

Tobaccos were marked lower in line with the general trend. Bats slipped 3 to 265p, while Imperial gave up a couple of pence to 89p.

Teas were undecided but Lawrie, still benefiting from the recent disposal of Indian tea estates, added 8 to 420p.

MIM Holdings firmer

With the exception of Australians, which edged higher reflecting the firmness of overnight domestic markets, mining markets generally began the week on a dull note.

Among Australians, MIM Holdings again attracted a good deal of buying interest as hopes of further success in the company's drilling activities in the Exmouth Plateau lifted the shares another 6 better at 182p.

In Uraniums, favourable Press mention helped Pancontinental add 12 to 750p. Buying in a thin market prompted a gain of 20 to 210p in Consolidated Gold Fields Australia.

After holding steady for most of the day, South African Golds fell away reflecting the afternoon decline in the bullion price which closed $4.75 off at $301.125 an ounce. The Gold Mines index fell 3.7 to 155.1 and the ex-premium index 4.0 to 141.3.

Renewed weakness in the UK equity market and widespread losses in metal prices on the London Metal Exchange prompted small scattered selling of London Financials. Rio Tinto-Zinc slipped 2 to 253p; the company is to go ahead with the re-opening of the Wheal Jane tin mine in Cornwall.

Nervousness over the outcome of the Commonwealth Prime Minister's meeting in Lusaka unsettled Rhodesians. Falcon Mines were 10 down at 290p, Mangula 5 off at 73p, and Wankie Colliery 3 cheaper at 55p.

Elsewhere, continuing rumours of a possible oil-find in the Porcupine Basin left Silvermines 3 up at 53p; Silvermines has a substantial holding in Aran Energy which is currently drilling in the Porcupine Basin region.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
Cons. Gold	220	14	—	21	20	29	—	217p
Cons. Gold	240	7	45	11	—	20	—	"
GEC	330	39	—	50	—	70	3	351p
GEC	360	21	3	26	—	40	—	"
GEC	390	10	—	16	—	36	6	"
GEC	420	4	—	8	3	—	—	"
GEC	460	1½	14	7	—	—	—	"
Grand Met.	128	15	2	22	—	—	—	136p
Grand Met.	138	9	13	15	3	—	—	"
ICI	360	4	—	7	—	—	—	316p
Marks & Sp.	110	8½	17	12	—	17	25	109p
Marks & Sp.	120	3	6	8	1	12	—	"
Marks & Sp.	130	2	—	4	—	8	—	"
Shell	350	15	3	18	—	—	—	333p
Shell	400	3	—	7	—	—	—	"
Totals			105		51		34	
		August		**November**		**February**		
BOC Intl.	70	4	43	7½	2	11½	—	71p
BOC Intl.	80	¾	—	2½	11	5½	—	"
EMI	100	4	—	10	—	18	5	94p
EMI	110	2	4	7	—	13	—	"
EMI	130	¾	—	3	5	—	—	"
Imperial Gp.	90	5½	20	7	45	9½	30	89p
Totals			67		65		35	

FINANCIAL TIMES STOCK INDICES

	July 30	July 27	July 26	July 25	July 24	July 23	A year ago
Government Secs.	72.48	72.93	73.32	73.65	73.96	73.59	70.61
Fixed Interest	73.88	74.75	74.95	75.22	75.36	74.98	72.35
Industrial	451.0	458.2	461.5	464.4	467.0	466.7	469.4
Gold Mines	155.1	158.8	158.4	157.6	161.8	162.7	159.2
Gold Mines (Ex-$ pm)	141.3	145.3	145.9	147.5	151.7	152.7	135.2
Ord. Div. Yield	7.45	6.90	6.86	6.83	6.78	6.78	5.46
Earnings Yld. % (full)	18.74	17.37	17.26	17.16	17.08	17.09	15.32
P/E Ratio (net) (*)	6.98	7.31	7.35	7.30	7.34	7.34	8.09
Total bargains	—	16,066	16,689	15,308	15,567	15,859	15,500
Equity turnover £m	—	89.84	76.31	76.97	73.06	76.66	65.11
Equity bargains total	—	13,229	11,345	11,168	9,986	11,021	17,769

10 am 455.6. 11 am 454.6. Noon 453.0. 1 pm 451.3. 2 pm 451.2. 3 pm 451.3.

Latest Index 01-246 8026.

* Nil=8.72.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (4/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	202.4 (8/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$pm)	169.5 (6/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	July 30	July 27
—Daily		
Gilt Edged	140.0	112.0
Industrials	142.9	112.2
Speculative	34.7	25.3
Totals	96.1	79.1
5-day Av'r'ge		
Gilt Edged	137.7	134.0
Industrials	159.3	118.3
Speculative	25.6	26.8
Totals	87.3	81.5

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (6)

BRITISH FUNDS (1)
Treasury 3pc 1979
TEXTILES (1)
Alebams
TRUSTS (2)
Camellia Inv. Lazard Stg. Res.
OILS (1)
Aran Energy
TEAS (1)
Lawrie Plant.

NEW LOWS (179)

BANKS (6) BEERS (1) BUILDINGS (10) CHEMICALS (5) DRAPERY & STORES (4) ELECTRICALS (5) ENGINEERING (25) FOODS (7) HOTELS (2) INDUSTRIALS (33) INSURANCE (6) LEISURE (2) MOTORS (8) NEWSPAPERS (1) PAPER & PRINTING (4) PROPERTY (7) SHOES (1) TEXTILES (3) TRUSTS (28) OILS (1) OVERSEAS TRADERS (2) TEAS (1) MINES (2)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	77	8
Corpns., Dom. and Foreign Bonds	—	28	35
Industrials	98	622	728
Financial and Prop.	39	251	215
Oils	8	14	17
Plantations	2	15	14
Mines	25	60	59
Others	14	28	55
Totals	260	1,059	1,131

OPTIONS

DEALING DATES

First Deal- ings	Last Deal- ings	Last Declara- tion	For Settle- ment
July 24	Aug. 6	Oct. 18	Oct. 30
Aug. 7	Aug. 20	Nov. 1	Nov. 13
Aug. 21	Sept. 3	Nov. 15	Nov. 27

For rate indications see end of Share Information Service

The option market began the week in a quiet mood, calls being dealt in Town and City, EMI, Spillers, Premier Oil, Lonrho, Status Discount, Trusthouse Forte, Inveresk, Telefusion, Law Land, Western Mining and Candecca. A put was completed in United Scientific, and doubles were arranged in Bolton Textile and EMI.

Queen's Award entries invited

APPLICATIONS ARE being invited from companies for the Queen's Awards for Export and Technology, 1980.

The main qualifications are that companies should be UK-based and have made outstanding achievements in either field. Application forms are available from the Secretary, The Queen's Awards Office, Williams National House, 11/13 Holborn Viaduct, London EC1A 1EL (01-222 2277). Applications close on October 31.

APPOINTMENTS

Sir Jack Wellings on Board of Turner and Newall

Sir Jack Wellings, chairman and chief executive of the 600 Group, has been appointed a non-executive director of TURNER AND NEWALL from tomorrow.

★

BARCLAYS BANK has made a number of group changes to come into operation from October 3. Mr. J. W. Dyson, a general manager of Barclays Bank, will be seconded to Barclays Bank International and appointed a director and general manager. Mr. G. A. O. Thomson, a general manager of Barclays Bank International, will be seconded to Barclays Bank as a general manager and become a director of Barclays Bank UK Management. Mr. B. G. Pearse, a regional general manager of Barclays Bank, will be made a general manager and a director of Barclays Bank UK Management. Mr. R. C. Harvey, general manager (staff) of Barclays Bank International and Lord Camoys, managing director of Barclays Merchant Bank, are to be directors of Barclays Bank International. There will be three new regional general managers at Barclays Bank International. They are Mr. D. J. Tabor (who remains managing director, Barclays International Australia) regional general manager for Australia; Mr. R. C. Whittet, regional general manager for Far East; Mr. A. R. P. Carden (who continues as chief executive vice president Barclays Bank International, New York) regional general manager, North America.

★

Mr. Brian Dice

Mr. Brian Dice has been appointed a director of CADBURY SCHWEPPES. He became secretary of the group last year after holding positions as managing director of Schweppes in Germany and regional director of Africa. Mr. Dice has been with Cadbury Schweppes since 1960.

★

Dr. Alan Mawson has been appointed a director of WIGGINS TEAPE LIMITED, the principal operating company of the Wiggins Teape Group in the UK. Dr. Mawson joined the company in February this year as head of group development and technical services.

★

Mr. A. F. Thomas, deputy chairman of the DELTA METAL COMPANY and chairman of its overseas division, has retired from the Board of the company.

★

Mr. Roger Desoutter has given up his appointment as managing director of DESOUTTER BROTHERS (HOLDINGS) and its subsidiaries to concentrate on his position as chairman of the companies. Mr. Michael Barnard, works director, and Mr. Richard Fogg, finance director, have both been appointed to the additional post of joint managing director.

★

Mr. L. G. D. Baker, lecturer at the University of Edinburgh, has been elected head master of CHRIST'S HOSPITAL, Horsham, from September on the resignation of Dr. D. H. Newsome.

★

Mr. C. A. Willetts has become managing director of the Ductile Tube Division following his appointment as managing director of Newmans Tubes, a subsidiary of DUCTILE STEELS. At the same time Mr. Norman Bate has been made works director of Newmans Tubes.

★

Mr. Charles Pick has been appointed managing director of the HEINEMANN GROUP OF PUBLISHERS and succeeds Mr. Alan Hill, who retires on August 10. Following Mr. Pick's appointment there will be a re-organisation of the Heinemann Group. Educational and technical publishing companies will continue under Heinemann Educational Books International but fiction and general publishing will now be grouped under William Heinemann International but fiction and general publishing will now be grouped under William Heinemann International. Mr. Pick will be chairman of Heinemann Educational Booked International, William Heinemann International, and Heinemann Distribution. Mr. Tony Beal, at present managing director of Heinemann Educational Books, has been appointed managing director of Heinemann Educational Books International and Mr. Tom Rosenthal, managing director of Martin Secker and Warburg, will be managing director of William Heinemann International. On his retirement, Mr. Hill will continue as a consultant to the Heinemann Group of Publishers and remain chairman of Heinemann Educational Books (Nigeria). Thomas Tilling is the parent company.

★

Mr. A. P. de Boer has joined the policy committee of PRICE WATERHOUSE AND CO. in a non-executive capacity. His initial appointment is for a three-year term to June 1982 and he will be a full member of the policy committee but will not be a partner in the firm.

★

Mr. Lionel P. Kent has been elected to the Board of directors of *ALCAN ALUMINIUM.*

★

Mr. Robert L. Johnson, managing director of the earthenware division of WEDGWOOD, joins the main Board of the company from tomorrow. Mr. Derek Jones, who was recently made vice-president of the British Ceramic Manufacturers' Federation, will become chairman of the J. and G. Meakin division on that date. He will relinquish some of his present executive duties to devote more time to his federation appointment. Mr. David E. D. Johnson, managing director of the Johnson Brothers division, will succeed Mr. Jones as managing director of J. and G. Meakin and retain his present position at Johnson Brothers.

★

Mr. Gordon Latham has resigned as a director of B.A.T. STORES HOLDINGS and as a joint managing director of International Stores and its subsidiaries following the re-organisation of the companies.

★

Mr. P. E. Rosengaard has been appointed managing director of STORNO.

★

Mr. Timothy Cooke has been appointed financial director of SALTER INDUSTRIAL MEASUREMENT.

★

Mr. John E. Kemp has been appointed sales director of SIMON-SOLITEC of Gloucester (Simon Food Engineering Group).

★

Mr. Richard Andrews has been appointed company secretary of ROCKWARE GROUP from tomorrow following the retirement of Mr. Kenneth Young.

★

The Secretary for Trade has reappointed Mrs. K. E. Lambert as chairman of the SOUTHERN GAS CONSUMERS' COUNCIL until January 28, 1980.

★

Mr. Kenneth F. Matthews, of Rank Film Distributors has been elected chairman of the PUBLICITY CLUB OF LONDON for 1979-80.

★

Mr. S. J. Fraser has been appointed chairman of RIDDOCH OF ROTHIEMAY. Mr. W. McPherson and Mr. D. J. Ritchie join the Board.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
NatWest Bank ...	£1	10	315xd	− 8	406	278
BP ...	£1	9	1,205	− 5	1,295	882
Lloyds Bank ...	£1	9	280xd	− 9	360	272
BAT Inds. ...	25p	7	265	− 3	362	255
ICI ...	£1	7	316	− 3	415	314
Trusthouse Forte	25p	7	132	−10	198	127
Barclays Bank ...	£1	6	418	− 7	514	360
Beecham 'New' ...	25p	6	131	—	134	130½
GKN ...	£1	6	262	− 4	308	226
Midland Bank ...	£1	6	340	− 5	455	340
Stand'd Chartered Bank ...	£1	6	438	− 8	534	419
Thorn Elect. ...	25p	6	416	− 8	492	334
Bestobell ...	25p	5	210	− 2	215	128
Commercial Un.	25p	5	134	− 2	135	134
Land Secs. ...	50p	5	278	− 7	323	244

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
‡‡	F.P.	24/8	75	60	Arrow Chemicals	71	+1	b2.0	2.3	4.0	15.3
60	F.P.	11/7	91	76	B & Q (Retail) 5p	76	−2	3.46	2.8	3.2	16.3
80½	F.P.	27/7	105½	95¼	Fairline Boats	101	−4½	b3.5	3.6	4.9	7.8
‡‡	F.P.	—	58	52	Malay'n Pl'ts Berhad	54	−½	bQ8c	1.3	7.5	—
160	F.P.	5/9	187	187	Mercantile House	173	−5	10.72	2.3	14.1	11.8
**	F.P.	10/8	37	26	Mettoy Dfd.	26	−2	—	—	—	—
‡‡	F.P.	—	44	36	Philcom 10p	36	−1½	N1.0	4.6	4.0	13.0
160	F.P.	8/8	187	178	StandardTel.&Cables	184	−3	b8.0	2.1	6.2	11.1

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
¶91	F.P.	21/9	87	86½	Aurora 8¼ Conv. Cum. Pref.	87	......
100	F.P.	20/7	101¼	93	English & Overseas Inv. Conv.	95	+2
¶96½	£10	—	11¾	11¾	Essex Water 8% Red Pref. 1984	11¾	......
100	F.P.	27/7	115	107½	Kwik-Fit (Tyres) 8% Cnv. Ln. 1979/85	113	......
100	F.P.	20/7	102	87	Marsh'll's Univ'rs'l 7½% Cnv.Cum.Red.Prf.	87	......
100	F.P.	30/8	102	100	Portsmouth Water 8% Red. Prf. 1984	101½	......
97	Nil	—	98¾	98	Scot. Agricultural Sec. 13% Deb. 97-99	98	−¼
100p	—	—	102	100	Stonehill 10½ Cnv. Prf.	100	......
¶98	£10	24/8	£13	£12½	Sund. & S. Shields Water 8% 1986	£13	......
¶98	£10	18/10	£13	£12½	Wroxham Water 8% 1984	£13	......

"RIGHTS" OFFERS

Issue Price p:	Amount Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979 High	1979 Low	Stock	Closing price p:	+ or −
A$2	Nil	—	—	58½pm	37pm	Bank of New South Wales	37pm	......
36	F.P.	9/7	10/8	41	38½	Causton Sir (J.)	41	+1
65	F.P.	17/7	10/8	90	82	Century Oils	86	−1
52½	F.P.	10/7	10/8	63	55	Combined English Stores	62	......
30	Nil	3/8	24/8	11pm	10½pm	Control Securities	11pm	......
25	Nil	8/8	10/8	4pm	3pm	Edinburgh & Gen.	3½pm	−½
195	F.P.	20/7	10/8	223	209	Elliott (B.)	212	−4
100	F.P.	13/7	3/8	138	125	Geevor Tin	130	......
25	Nil	—	—	26pm	25pm	Goodkind (W.)	25pm	......
60	Nil	3/8	7/9	19pm	17pm	Goldberg (A)	18pm	−1
126	F.P.	29/6	10/8	146	131	Grand Metropolitan	137	−4
50	Nil	6/8	31/8	71pm	50pm	Hanson Trust	50pm	−1
47	F.P.	30/7	28/8	50	47½	Hargreaves	48	......
88	F.P.	27/7	24/8	101	91	Highland Dist.	99	......
155	F.P.	13/7	24/8	208	182½	Holt Lloyd Intl	204	......
110	F.P.	5/7	7/9	114	108	Intl. Timber	108	......
105	F.P.	13/7	3/8	110	105	McCorquodale	105	−2
25cts	Nil	15/8	17/8	1pm	Nil	Ovenstone	Nil	......
60	F.P.	20/7	10/8	129	110	Sound Diffusion	124	......
108	F.P.	27/7	20/8	168	126	Stylo Shoes	168	......
57	F.P.	20/7	24/8	66½	60	UBM	66½	......
87	F.P.	13/7	10/8	110	94	W.G.I.	105	−2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. a Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., July 27, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., July 26 Index No.	Wed., July 25 Index No.	Tues., July 24 Index No.	Mon., July 23 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	237.61	−0.6	18.14	5.95	7.12	239.06	239.97	241.89	241.88	226.38
2	Building Materials (27)	223.85	+0.1	18.70	5.93	6.97	223.72	224.25	224.91	224.75	206.44
3	Contracting, Construction (28)	349.32	−0.4	26.12	5.98	4.79	350.75	352.64	355.26	354.48	357.81
4	Electricals (15)	581.19	−0.3	13.42	3.98	10.23	582.88	582.79	585.45	584.11	482.50
5	Engineering Contractors (12)	376.71	−0.8	19.67	6.43	6.34	379.91	381.20	385.54	385.46	332.91
6	Mechanical Engineering (74)	172.70	−1.2	19.46	6.68	6.54	174.79	175.56	177.75	178.39	182.12
8	Metals and Metal Forming (16)	159.64	−1.2	20.27	9.38	6.13	161.61	163.90	166.18	166.25	171.08
11	CONSUMER GOODS (DURABLE) (52)	225.10	−0.5	16.27	5.05	7.76	226.17	226.21	227.15	226.62	207.45
12	Lt. Electronics, Radio, TV (16)	314.89	−0.4	12.75	3.80	10.26	316.25	315.61	316.53	315.79	248.55
13	Household Goods (13)	150.19	−0.7	19.39	7.27	6.33	151.27	152.00	152.00	151.81	184.66
14	Motors and Distributors (23)	109.72	−0.5	24.38	7.64	4.98	110.29	110.79	111.68	111.38	128.03
21	CONSUMER GOODS (NON-DURABLE) (171)	229.62	−0.4	17.05	6.15	7.33	230.46	231.22	232.05	231.70	213.22
22	Breweries (14)	274.48	−0.9	16.50	5.51	7.23	276.87	277.40	276.52	275.56	233.37
23	Wines and Spirits (6)	324.86	−0.6	16.92	5.53	7.38	326.93	326.71	327.81	324.28	277.74
24	Entertainment, Catering (17)	298.69	−1.0	16.65	6.81	7.91	301.68	302.73	306.91	305.40	263.95
25	Food Manufacturing (19)	194.96	−0.3	20.30	6.78	6.13	195.52	196.60	196.00	196.11	201.75
26	Food Retailing (15)	297.49	+0.1	12.10	4.29	10.29	297.17	297.86	299.56	298.46	221.18
32	Newspapers, Publishing (12)	401.54	−0.8	23.56	7.25	5.95	404.86	404.94	407.05	406.84	409.13
33	Packaging and Paper (15)	120.99	—	24.30	9.21	5.33	121.02	122.16	121.56	121.58	140.81
34	Stores (41)	237.33	−0.3	12.32	4.34	10.67	238.05	239.36	240.18	240.90	200.80
35	Textiles (23)	149.93	−0.8	24.37	10.15	5.19	151.18	152.16	154.91	155.15	180.71
36	Tobaccos (3)	233.15	+0.4	24.61	9.54	4.62	232.25	230.66	232.33	230.25	254.11
37	Toys and Games (6)	65.30	−0.8	34.88	10.32	3.44	65.84	66.70	67.54	67.39	110.84
41	OTHER GROUPS (99)	194.08	−0.2	16.45	6.47	7.50	194.46	195.57	196.17	196.75	206.63
42	Chemicals (18)	267.23	+0.1	18.99	7.22	6.15	267.06	269.28	271.80	271.49	293.05
43	Pharmaceutical Products (7)	213.11	−0.1	13.16	5.14	9.29	213.40	214.48	213.40	214.08	268.86
44	Office Equipment (6)	116.29	−0.3	17.25	7.13	7.28	116.68	116.69	116.82	117.81	134.43
45	Shipping (10)	449.43	−0.7	10.46	6.67	12.80	452.47	452.36	453.82	460.19	417.36
46	Miscellaneous (58)	231.92	−0.3	16.82	6.32	7.68	232.70	234.08	234.54	235.31	219.78
49	INDUSTRIAL GROUP (494)	229.58	−0.4	17.13	6.09	7.34	230.50	231.36	232.43	232.39	221.64
51	Oils (6)	644.10	−0.5	12.33	5.23	8.62	647.19	647.37	647.81	649.32	491.36
59	500 SHARE INDEX	263.02	−0.4	16.27	5.93	7.55	264.10	264.93	265.96	266.03	244.27
61	FINANCIAL GROUP (116)	182.03	−0.9	—	5.65	—	183.70	185.76	188.56	188.93	168.54
62	Banks (6)	216.39	−1.2	36.44	5.61	3.52	218.96	224.78	232.79	232.57	187.76
63	Discount Houses (10)	257.50	—	—	7.13	—	257.62	257.98	258.58	259.65	210.15
64	Hire Purchase (5)	161.10	−0.5	20.60	5.39	6.22	161.98	161.89	162.18	162.47	157.78
65	Insurance (Life) (10)	145.87	−0.8	—	6.97	—	146.99	148.58	148.81	150.22	142.47
66	Insurance (Composite) (8)	117.73	−0.7	—	7.67	—	118.60	118.77	119.77	120.01	129.49
67	Insurance Brokers (10)	236.93	+0.8	21.13	7.74	6.77	235.10	234.31	237.88	239.94	351.93
68	Merchant Banks (14)	96.10	−0.2	—	5.75	—	96.32	95.65	96.66	97.76	80.32
69	Property (43)	346.82	−1.4	3.21	2.60	46.61	351.85	354.96	356.72	355.71	247.30
70	Miscellaneous (10)	115.92	−0.6	16.05	7.70	7.98	116.67	118.64	120.39	121.91	109.86
71	Investment Trusts (110)	201.73	−0.5	—	5.60	—	202.83	203.76	204.42	204.52	226.49
81	Mining Finance (4)	112.77	+0.5	17.66	6.70	6.94	112.16	112.16	113.23	113.72	104.41
91	Overseas Traders (20)	324.24	−0.5	16.77	7.68	7.31	325.83	324.26	326.90	326.28	319.31
99	ALL-SHARE INDEX (750)	239.54	−0.5	—	5.92	—	240.71	241.76	243.19	243.35	224.85

FIXED INTEREST PRICE INDICES

	British Government	Fri., July 27	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.42	+0.06	—	4.94
2	5-15 years	116.73	−0.34	—	6.90
3	Over 15 years	124.11	−0.48	—	8.15
4	Irredeemables	138.65	−0.65	—	7.24
5	All stocks	114.87	−0.26	—	6.58

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Fri., July 27	Thurs., July 26	Year ago (approx.)
1	Low Coupons	5 years	10.20	10.16	8.70
2		15 years	10.65	10.68	10.86
3		25 years	11.10	11.03	11.57
4	Medium Coupons	5 years	12.32	12.29	11.26
5		15 years	12.24	12.18	12.07
6		25 years	12.16	12.07	12.17
7	High Coupons	5 years	12.54	12.46	11.47
8		15 years	12.54	12.46	12.59
9		25 years	12.54	12.46	12.82
10	Irredeemables		10.64	10.56	11.58

		Mon., July 30 Index No.	Mon., July 30 Yield %	Fri., July 27	Thurs., July 26	Wed., July 25	Tues., July 24	Mon., July 23	Fri., July 20	Thurs., July 19	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	58.38	†12.70	58.47	58.47	58.54	58.44	58.49	58.44	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	51.22	13.10	51.20	51.60	51.60	51.60	51.55	51.55	51.60	[illegible]
17	Coml. and Indl. Prefs. (20)	72.21	12.89	72.22	72.22	72.10	72.10	71.42	71.47	[illegible]	[illegible]

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

هكذا من الأصل

AUTHORISED UNIT TRUSTS

National Providen. Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth.Un.Tst.		56.2	.....	4.90
(Accum. Units)*		71.0	.....	4.90
NPI O'seas. Trust		127.1	.....	2.60
(Accum. Units)**		137.4	.....	2.60

*Prices on July 26. Next dealing Aug. 30.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060

Capital (Accum.)	67.5	72.5	−0.4	4.78
Extra Inc.	63.2	67.9	−0.6	9.80
Financial	32.6	35.0xd	−0.3	5.61
Growth Inv.	82.8	89.0xd	−0.4	5.09
Income	34.3	36.8	−0.5	7.70
Portfolio Inv. Fd.	69.6	72.8	−0.7	6.55
Universal Fd.	42.1	45.2	+0.5	2.95

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey 5911

Nelstar	60.7	63.8	−0.5	5.34
Nelstar High Inc.	47.1	49.5	−0.6	8.20

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG 0603 22200

Group Tst. Fd.	370.9	390.4	−3.0	5.43

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	24.4	26.3	−0.2	5.28
Accum Units	29.9	32.2	−0.3	5.28
Pearl Inc.	33.1	35.6	−0.4	7.58
Pearl Unit Tst.	35.6	38.3	−0.4	6.25
(Accum. Units)	47.6	51.2	−0.6	6.25

Pelican Units Admin. Ltd. (g)(x)
57-63, Princes St., Manchester. 061-236 5685

Pelican Units	95.9	103.1	−1.1	4.78

Perpetual Unit Trust Mngmt.♥ (a)
48, Hart St., Henley on Thames 04912 6868

P'petualGp.Gth.	55.6	59.2	.....	4.31
P'petual Gp.Inc.	48.3	51.1	.....	7.86

Practical Invest. Co. Ltd.♥ (y)(c)
44, Bloomsbury Sq., WC1A 2RA 01-623 8893

Practical July 25	147.0	157.0	.....	4.69
Accum. Units	214.4	228.9	.....	4.69

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2. 01-247 6533

Prolific Units	84.3	90.3	−0.7	3.77
High Income	131.7	141.1	−0.5	7.81

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American July 26	60.0	63.0	.....	1.53
Securities July 24	191.0	201.0	.....	3.81
High Yield July 27	52.9	55.6	.....	8.85
(Accum. Units)	79.5	83.5	.....	8.85
Merlin July 25	84.5	89.0xd	.....	3.97
(Accum. Units)	107.8	113.5	.....	3.97

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fd.	70.3	74.1	.....	3.50
Income Fd.	68.0	71.7xd	.....	7.83

Prices at July 13. Next dealing July 31.

Save & Prosper Group♥
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

International Funds				
Capital	33.9	36.4	−0.2	3.18
I.T.U.	24.4	26.2	−0.1	4.91
Univ. Growth	63.9	69.7	.....	3.03
Increasing Income Fund				
High-Yield	50.9	54.7	−0.8	7.92
High Income Funds				
High Return	64.5	69.3xd	−0.8	9.45
Income	43.9	47.2	−0.3	9.45
U.K. Funds				
UK Equity	45.8	49.2	−0.8	5.10
Overseas Funds (z)				
Europe	74.8	80.4	+0.6	3.72
Japan	70.0	75.2	−0.3	3.70
S.E. Asia	37.1	39.8	.....	3.82
U.S.	67.0	72.0	+0.5	2.37
Sector Funds				
Commodity	85.9	90.2	−0.1	4.01
Energy	85.2	91.6	+0.9	2.29
Financial Secs.	68.4	73.2	−0.2	4.01
High-Minimum Funds				
Select Internat.	247.9	261.6	−2.0	3.75
Select Income	55.9	58.9	−0.6	8.78
Exempt Funds♦				
Exempt Income*	173.7	183.4	.....	7.42
Exempt Intl.*	243.1	256.6	.....	3.07

*Prices at July 25. Next sub. day August 8.

Scotbits Securities Ltd.

Scotbits	36.7	39.4xd	−0.4	4.45
Scotyield	48.3	51.9	−0.7	8.39
Scotshares	67.1	72.1	.....	4.95

Schlesinger Trust Mngrs. Ltd. (a)(c)(g)
140, South Street, Dorking (0306) 86441

Am. Exempt	21.9	23.1	.....	4.51
Am. Growth	27.1	29.3	.....	3.99
Am. Smaller Cos.	29.4	31.6xd	+0.2	2.07
Exempt High Yld.	27.6	29.1	−0.1	8.04
Exempt Mkt. Ldrs.	28.0	29.5	−0.3	4.59
Extra Inc. Tst.	28.4	30.5xd	−0.2	9.71
Income Dist.	42.8	46.3	.....	9.25
Inc.10% Wdrwl.	31.5	34.0	.....	—
Inv. Tst. Units	26.8	28.8	−0.1	5.24
Intl. Growth	45.8	49.2xd	+0.1	4.28
Market Leaders	31.6	34.2	−0.4	5.14
"Nil Yield"	28.7	31.0	−0.2	—
Pref. & Gilt Trust	22.9	24.6xd	.....	12.00
Property Shares	37.5	40.5	−0.6	1.64
Special Sit. Tst.	38.9	41.8	.....	1.77
U.K. Grth. Accum.	24.8	26.7	−0.2	5.14
U.K. Grth. Dist.	21.1	22.7	−0.1	5.14

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)
120, Cheapside, E.C.2. 01-240 3434

Capital July 24	108.6	116.7	.....	3.09
(Accum. Units)	133.6	143.6	.....	3.09
Income July 24	196.2	210.9xd	.....	7.94
(Accum. Units)	306.6	329.6	.....	7.94
General July 25	91.8	98.7xd	.....	4.12
(Accum. Units)	117.9	126.7	.....	4.12
Europe July 27	25.3	27.2	.....	3.60
(Accum. Units)	28.4	30.5	.....	3.60
*Pn&ChFd July 24	185.3	191.0xd	.....	4.76
*Recovery July 10	235.2	242.4	.....	4.88
*Spec. Ex. July 10	307.2	316.7	.....	3.51

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	52.9	56.3	.....	5.35
Accum. Units	62.7	66.7	.....	5.35

Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd.♥ (a)
PO Box 511, Bcklbry. Hse., E.C.4. 01-236 5000

Sebag Capital Fd.	37.4	39.4	−0.1	4.49
Sebag Income Fd.	30.0	31.6	−0.2	8.86

Security Selection Ltd.
Regis Hse., King William St., EC4
(Admin Office) 01-623 4951

Unvl Gth Tst Acc.	24.6	26.2	.....	4.77
Unvl Gth Tst Inc.	20.3	21.6xd	.....	4.77

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	56.2	59.5	+0.9	1.56
Accum. Units	61.2	64.7	+1.0	—
Withdrawal Units	43.9	46.4	+0.6	—
*Stewart British Capital Fund				
Standard	152.6	169.1	.....	4.20
Accum. Units	171.6	190.3	.....	4.20

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. July 11	£259.90	273.60	.....	4.33
♥The Family Fd.	103.4	110.0	−2.6	4.03

Target Tst. Mngrs. Ltd.♥ (a)(g)
31, Gresham St., EC2. Dealings: 0296 5941

Commodity	43.7	47.0	+0.1	4.38
Financial	69.5	75.5	−0.7	4.30
Equity	38.5	41.4	−0.6	6.62
Exempt Inc. July 25	222.0	233.7	.....	7.50
Exempt Accum.	316.3	332.9	.....	7.50
Gilt Accum.	130.9	137.3	.....	3.00
Growth	30.7	33.0	−0.3	5.03
Pacific Income	21.8	23.4	−0.1	2.33
Pacific Accum.	24.3	26.1	−0.1	2.33
Investment Trust	30.4	32.7	−0.1	4.44
Professional July 25	157.7	166.0xd	.....	5.99
Income	26.7	28.7	−0.3	10.22
Preference Share	13.0	14.4xd	.....	11.76
Special Situations	22.2	23.9	+0.2	5.52

Target Tst. Mngrs. (Scotland) (a)(b)
19, Athol Crescent, Edin. 3. 031-229 8621/2

American Eagle	26.3	28.3xd	+0.2	2.45
Thistle	40.7	43.8	−0.4	6.34
Extra Income	60.3	64.8	−0.4	10.38

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	22.5	23.6	−0.1	8.99

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT July 2	54.3	57.8	.....	4.87

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican July 26	79.4	84.5	.....	6.60
(Accum. Units)	128.4	136.8	.....	6.60
♦Barb. Expt. July 25.	72.5	74.1	.....	6.74
Buckhm. July 26	82.7	88.0	.....	5.05
(Accum. Units)	105.7	112.4	.....	5.05
Colemco July 27	132.0	139.7	.....	6.23
(Accum. Units)	165.7	175.4	.....	6.23
Cuml. July 25	54.4	58.5	.....	7.52
(Accum. Units)	62.5	67.1	.....	7.52
Glen July 24	55.3	58.8	.....	3.91
(Accum. Units)	73.2	77.8	.....	3.91
Marlboro. July 24	47.5	49.8	.....	2.95
(Accum. Units)	55.4	58.0	.....	2.95
Van. Grwt July 24	51.0	53.6	.....	3.78
(Accum. Units)	64.1	67.4	.....	3.78
Vang Hy July 24	69.8	73.5	.....	8.35
Vang. T'ee July 25	45.2	47.6	.....	5.86
(Accum. Units)	49.3	51.9	.....	5.86
Wickmr. July 26	64.9	69.9xd	.....	4.48
(Accum. Units)	80.7	85.6	.....	4.48
Wick-Dvr. July 27	67.5	72.2	.....	8.69
Do. Accum.	82.1	87.7	.....	8.69

Tyndall Managers Ltd.♥
18, Canynge Road, Bristol. 0272 32241

Income July 25	95.4	100.2	.....	9.51
(Accum. Units)	185.4	194.8	.....	9.51
Capital July 25	134.2	141.0	.....	4.52
(Accum. Units)	194.4	204.2	.....	4.52
Exempt July 25	112.8	118.6	.....	8.63
(Accum. Units)	167.0	175.4	.....	8.63
Int. Earns. July 25	247.4	262.4	.....	6.09
(Accum. Units)	284.8	302.0	.....	6.09
Pref. July 25	105.8	112.2	.....	13.01
(Accum. Units)	139.0	147.4	.....	13.01
24, Castle St., Edinburgh. 031 225 1168				
Scot. Inc. July 25	163.2	173.2	.....	9.79
Scot. Cap. July 25	141.2	149.8	.....	5.61
(Accum. Units)	174.4	185.0	.....	5.61
London Wall Group 0272 32241				
Capital Growth	80.8	86.4	−0.6	7.38
Do. Accum.	86.7	92.7	−0.7	7.38
Extra Inc. Growth	34.8	37.4	−0.4	11.28
Do. Accum.	43.5	46.7	−0.5	11.28
Financial Pr'rty	18.7	20.1	−0.2	4.18
Do. Accum.	23.7	25.4	−0.2	4.18
High Inc. Priority	52.6	56.2	−0.7	10.80
International	24.9	26.6	+0.1	3.80
Special Sits.	37.6	40.2	−0.3	5.15

TSB Unit Trusts (y)
21, Chantry Way, Andover, Hants. 0264 62188
Dealings to 0264 63432-3.

(b)TSB General	47.5	50.9xd	−0.4	4.26
(b) Do. Accum.	63.2	67.6	−0.6	4.26
(b) TSB Income	58.2	62.0	−0.7	8.19
(b) Do. Accum.	64.0	68.2	−0.7	8.19
TSB Scottish	81.3	86.5	.....	3.32
(b) Do. Accum.	88.6	94.3	.....	3.32

Ulster Bank♥ (a)
Waring Street, Belfast. 0232 35231

(b)Ulster Growth	36.8	39.5	−0.6	6.41

Unit Trust Account & Mgmt. Ltd.
King William St. EC4R 9AR 01-623 4951

Friars Hse. Fund	42.7	45.5xd	.....	4.50
Wieler Grth. Fnd.	30.9	32.6	−0.1	4.66
Do. Accum.	37.1	39.1	−0.1	4.66

Wieler Growth Fund
King William St. EC4R 9AR 01-623 4951

Income Units	30.9	32.6	−0.1	4.66
Accum. Units	37.1	39.1	−0.1	4.66

INSURANCE AND PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Equity Fund	37.0	39.0	.....	—
Equity Acc.	32.9	34.7	.....	—
Property Fd.	174.3	183.5	.....	—
Property Acc.	186.1	195.9	.....	—
Selective Fund	100.4	105.7	.....	—
Convertible Fund	140.4	147.8	.....	—
♥Money Fund	130.5	137.4	.....	—
♥Prop. Fd. Ser. 4	150.7	158.7	.....	—
♥Man. Fd. Ser. 4	148.1	155.9	.....	—

Crown Life Assurance—contd.

Fixed Int. Fd. Acc.	115.3	121.3	−0.1	—
Fxd. Int. Fd. Incm.	109.5	115.2	−0.2	12.91
Inter'l. Fd. Acc.	102.3	107.6	.....	—
Inter'l. Fd. Incm.	100.7	106.0	.....	7.90
Money Fd. Acc.	102.4	107.7	+0.1	—
Money Fd. Incm.	96.7	101.7	+0.1	13.75
Dist. Fd. Incm.	106.0	111.5	−0.4	10.28
Crown Brt. Inv.'A'	174.7	—	.....	—

Crusader Insurance Co. Ltd.
Vincula House, Tower Pl., EC3. 01-626 8031

Lloyds Life Assurance—contd.

Pns. Mng Ac. July 17	245.5	258.5	.....	—
Pns. Mg Cap. July 17	223.2	235.0	.....	—
Pns. Dep. Acc. July 17	158.0	166.4	.....	—
Pns. Dp. Cap. July 17	143.6	151.2	.....	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	46.3	48.8	.....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Prudential Pensions Limited♦
Holborn Bars, EC1N 2NH. 01-405 9222

Equity Fd. July 18	£28.54	29.42	.....	—
Fixed Int. July 18	£21.78	22.07	.....	—
Prop. Fd. July 18	£32.43	33.43	.....	—

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271

Rel. Prop. Bds.		251.6	.....	—

Rothschild Asset Management
St. Swithins Lane, London EC4. 01-626 4356

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund		US$7.93	.....	—

Net asset value July 25.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg.Fd.	£12.68	12.70	.....	12.02

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534-76077

Cap. Tst. (Jersey)	123.0	127.0	.....	7.87
Next dealing August 6.				
Gov't Secs. Tst.	95.5	98.0	−1.0	12.76
Next dealing date August 6.				
East &Intl.Tst.(CI)	102	109	.....	3.47

Next dealing date Aug. 9.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares		$US1.48	.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	110.05	110.61	+0.41	8.36

Prices at July 26. Next sub. day August 1.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	$US59.77	61.62	−0.16	8.15

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	85.1	90.1xd	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	45.9	48.3xd	.....	12.65
Unidollar Trust	US$11.54	12.13	.....	1.66
Unibond Trust	US$98.50	99.46	.....	9.00
1, Thomas St., Douglas, Isle of Man. 0624 4856				
Unicorn Aust. Ext.	39.7	42.7xd	.....	2.10
Do. Aust. Min.	29.9	32.2	.....	1.90
Do. Grtr. Pacific	63.7	68.6	.....	—
Do. Intl. Income	35.5	38.2	.....	9.10
Do. Isle of Man Tst.	44.5	47.9	.....	9.40
Do. Manx Mutual	25.7	27.7	.....	1.80

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,330	1,463	+27	2.40
Bondselex	116.55	122.40	.....	2.40
Central Assets	£148.49	148.55	+0.05	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.65	9.70xd	.....	11.50
Gilt Trust (I.o.M.)	108.0	110.8	−2.1	11.50
Gilt Fnd. Guernsey	10.01	10.06	.....	11.50
Intl. Govt. Secs. Tst.				
First Sterling	£23.95	24.10	.....	—
First Intl.	US$250.99	251.80	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest.		LF2,113	+1	4.31
Guernsey Inc.	65.4	69.5	.....	4.82
Do. Accum.	83.7	88.3	.....	4.82
KB Far East Fd.		US$13.27	.....	2.26
KB Gilt Fund	£11.04	11.11	.....	11.62
KB Int. Bd.Fd.Inc.		101.23	.....	8.20
KB Int Bd.Fd.Acc.		106.67	.....	.....
KB Intl. Fund		$US12.99	.....	2.24
KB Japan Fund		US$30.48	.....	0.98
K.B. U.S. Gwth. Fd.		US$13.77	.....	1.45
Signet Bermuda		$US5.26	.....	1.90

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Hellier, Jersey. 0534 27561

Lloyds Tst. O'seas	51.0	53.6	.....	3.10
Next dealing August 15.				
Lloyds Trust Gilt	£10.30	10.29xd	.....	11.75

Next dealing August 1.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF334.0	357.50	.....	1.20
Lloyds Int. Income	SF293.50	304.5	.....	5.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic July 24	US$3.66	4.02	.....	—
Aus. Ex. July 25	US$2.97	3.35	.....	—
Gold Ex.Acc.	US$19.45	21.56	.....	—
Island	137.1	145.9	−0.1	14.10
(Accum Units)	199.7	212.5	−0.1	14.10

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Midland Drayton Gilt.	103.20	103.80	.....	11.36

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1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103¼	98¼	FFI 13pc 1981	100¼	......	12.97	12.76
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do 14pc '83	103¼	......	13.56	12.98
86½	77½	ICFC 5½pc Deb. '80-82	85	–½	6.65	12.20
85	71½	Do. 6¼pc Db. '81-84	78	–½	8.17	12.40
99	84½	Do. 10½pc Uns. Ln. '86	91½	......	11.57	12.60
99	84½	Do. 11pc Uns. Ln. '88	93	......	11.93	12.40
101½	84	Do 11¾pc Uns. Ln. '90	95	......	12.45	12.70
72½	57	Do. 7¼pc A Deb. '89-92	66½	......	11.13	12.70
69	53½	Do. 7¼pc A Db. '91-94	66½	–¼	11.40	12.80
81½	64½	Do. 9pc 'A' '91-94	78½	......	11.98	12.70
78½	62½	Do. 8¾pc Ln. '92-97	71½xd	–1	12.41	12.90
101	95½	Do 12½pc. Uns. Ln. 1992	101	+½	12.87	13.00

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

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INSURANCE—Continued

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[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

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[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
[illegible]							
44	14	Newmetal 20c	15	......	—	—	—
141	91	North B. Hill 50c	94	−1	†Q8c	1.3	4.4
22	11	Nth. Kalgurli	18	......	—	—	—
40	22	Nth. West Mining	25	......	—	—	—
137	79	Oakbridge $A1	79	......	Q12c	1.9	8.0
37	22	Oilmin N. L.	32	......	—	—	—
120	58	Pacific Copper	82	......	—	—	—
£10¼	625	Pancont'l 25c	750	+12	—	—	—
25¾	15½	Paringa M&Ex.5p	20½	......	—	—	—
510	268	Peko-Wallsend 50c	290	......	Q15c	3.3	2.7
340	145	Southern Pacific	283	......	—	—	—
16	12	West Coast 25c	13	......	—	—	—
188	121	Westn. Mining 50c	136	+1	†Q3c	0.7	1.1
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	55	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	27	......	2.81	1.3	14.9
435	265	Ayer Hitam $M1	280	......	Q300c	0.5	23.0
72	51	Beralt Tin	52	......	4.0	3.3	11.0
270	175	Berjuntai $M1	180	......	†Q110c	1.0	15.0
160	125	Geevor	130	......	8.71	3.1	9.6
10½	8	Gold & Base 12½p	8½	−2	—	—	—
365	295	Gopeng Cons.	325	......	†18.0	1.4	7.9
370	295	Hongkong	320	......	†12.5	2.8	5.6
98	64	Idris 10p	84xd	......	†8.0	5.3	13.6
14	9½	Jantar 12½p	11	......	♦	—	—
95	58	Kamunting $M0.50	70	......	†Q12.5c	2.1	3.8
620	210	Killinghall $M1	340	......	—	—	—
465	365	Malay Dredging $M1	380	......	†175c	0.7	1.7
57	28	ΔPahang	29	......	—	—	—
123	60	Pengkalen 10p	110	......	4.5	1.2	6.1
275	195	Petaling $M1	205	......	†Q120c	1.3	12.6
85	62	Saint Piran	69	+2	†2.03	6.5	4.2
58	45	South Crofty 10p	45	−1	†4.19	2.0	13.3
230	170	South Kinta $M0.50	175	−5	†tQ145c	0.6	17.8
405	285	Sthn Malayan $M1	335	......	†Q190c	1.0	12.2
310	210	Sungei Besi $M1	255	......	Q520c	♦	58.4
75	40	Supreme Corp. $M1	40	......	Z010c	—	5.4
105	94	Tanjong 15p	95	......	7.5	0.7	11.3
115	90	Tongkah H. Tin	90	......	†Q24c	0.7	6.0
280	190	Trooh $M1	200	......	Q25c	5.2	2.8

COPPER

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
111	56	Messina R0.50	70	......	—	—	—

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
81	54	Barymin	60	+2	—	—	—
13½	10	Burma Mines 17½p	11½	......	—	—	—
345	170	Cons. Murch. 10c	255	−5	Z030c	—	6.0
410	290	Northgate C$1	310	+10	—	—	—
362	226	R.T.Z.	253	−2	11.5	2.7	6.5
31	18	Robert Mines	27	+1	—	—	—
65	30	Sabina Inds. C$1	35	+1	—	—	—
880	525	Tara Expln. $1	550	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
$17½	$10½	Buffels R1	$14½	−½	Q200c	♦	16.7
$25½	890c	East Drie R1	$12½	−¼	†Q115c	1.6	11.1
$10¾	350c	East Rand Prp. R1	$10	−⅛	†Q10c	—	1.2
$27⅝	$18¼	F.S. Geduld 50c	$26¼	−⅜	†Q315c	2.4	14.5
$19⅝	$11⅛	Pres. Brand 50c	$18⅛	−⅛	†Q150c	3.2	10.0
$18⅛	$10¼	St. Helena R1	£16⅝	−⅜	†Q190c	1.4	13.8
760c	407c	Stilfontein 50c	670c	−20	†Q66c	1.7	11.9
$35¼	$18¾	Vaal Reefs 50c	$31¾	−1½	†Q280c	2.7	11.2
$50¼	$28¾	West Drie R1	$45¼	−¼	Q615c	♦	16.4
$36½	$22¼	West Hldgs. 50c	$34¾	−¼	†Q415c	1.4	14.5
$18½	$10⅜	Western Deep R2	£15½	−⅞	†Q147½c	2.1	12.3

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

Δ Sterling denominated securities which include investment dollar premium.

[illegible]

other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979 P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sindall (Wm.)	160	+5
Bertam	24	......	IRISH		
Bdg'wtr. Est. 50p	400	......	Conv. 9% '80/82	£86⅛	......
Clover Croft	22	......	Nat. 9¾% 84/89	£71⅝	......
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£84⅞	......
Dyson (R. A.) A	26	......	Alliance Gas	80	......
Ellis & McHdy	180	......	Arnott	345	......
File Forge	54	......	Carroll (P.J.)	103	−1
Finlay Pkg. 5p	19	−1	Clondalkin	79	......
Graig Ship £1	295	......	Concrete Prods.	87	......
Higsons Brew	75	−3	Helton (Hldgs.)	82	......
Holt (Jos) 25p	260	......	Ins. Corp	210	......
I.O.M. Stm £1	160	......	Irish Ropes	70	......
Pearce (C. H.)	265	......	Jacob	40	......
Peel Mills	30	......	T.M.G.	170	−5
Sheff. Refrshmt	105	......	Unidare	64	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	24	Tube Invest.	30
A. Brew	9	"Imps"	8	Unilever	55
BOC Intl.	6	I.C.L.	55	U.D.T.	5
B.S.R.	7	Inveresk	7	Utd. Drapery	10
Babcock	18	KCA	5	Vickers	28
Barclays Bank	32	Ladbroke	22	Woolworths	7½
Beecham	52	Legal & Gen.	14		
Blue Circle	18	Lex Service	11	**Property**	
Boots	18	Lloyds Bank	25	Brit. Land	7½
Bowaters	18	"Lots"	5	Cap. Counties	9
B.A.T	28	London Brick	7	Land Secs.	25
Brown (J.)	50	Lonrho	8	MEPC	17
Burton 'A'	26	Lucas Inds.	25	Peachey	13
Cadburys	7	"Mams"	18	Samuel Props.	14
Courtaulds	10	Mrks. & Spncr	11	Town & City	2¼
Debenhams	8	Midland Bank	30		
Distillers	21	N.E.I.	14	**Oils**	
Dunlop	6½	Nat. West. Bank	28	Brit. Petroleum	100
Eagle Star	14	Do. Warrants	15	Burmah Oil	13
E.M.I.	12	P & O Dfd.	10	Charterhall	5
Gen. Accident	21	Plessey	10	Premier	5
Gen. Electric	35	R.H.M.	5	Shell	25
Glaxo	50	Rank Org.	25	Ultramar	25
Grand Met	14	Reed Intnl	18		
G.U.S. 'A'	30	Sears	5½	**Mines**	
Guardian	24	Spillers	4½		
G.K.N.	28	Tesco	7	Charter Cons.	16
Hawker Sidd	26	Thorn	35	Cons. Gold	20
House of Fraser	16	Trust Houses	17	Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday July 31 1979

Cornish mines to reopen

BY KENNETH MARSTON, MINING EDITOR

RIO TINTO-ZINC Corporation has decided to reopen the *Wheal Jane* and *Mount Wellington* tin mines in Cornwall without Government aid. The cost is put at £8½m.

It is hoped to start milling ore in July next year, with full production by January 1981. Contractors will be used to bring the mine into operation, and the permanent work force will be built up to about 300.

RTZ says that it has based its decision on the result of the most recent examination "which confirms the project to be viable within an acceptable degree of risk." The other factor is desirability of extra feed for the group's European smelters.

The cost of the mines' rescue is about £2½m more than some recent unofficial estimates. In June RTZ's application for State aid of £2½m or £3m met with an unenthusiastic response.

Last straw

However, RTZ decided subsequently against the background of the new economic climate created by the Budget that it would go it alone, subject to technical and commercial studies.

Both mines are relatively new Affiliates, which has a 5 per neighbouring properties in a very old mining area. The losing Wheal Jane, which was owned by Consolidated Gold Fields, was closed in May last year.

The last straw was the cost of pumping out extra water which flowed in as a result of the closure in the previous month of Mount Wellington, owned by U.S., Canadian and Swiss interests. Since then the pumping costs have been borne by the Government.

The first rescue attempt was by Mr. Robert Sprinkel, the U.S. entrepreneur. But his £8m plan failed to find financial support in the City.

He is thought to be still in the picture via a link with Trade *Affiliates*, which has a 5 per cent interest in the new operating company. Carnon Consolidated Tin Mines; the remainder is held by RTZ.

Wheal Jane's production tended to be erratic, but in the final eight months it ran at a monthly average of 67 tonnes of tin contained in concentrates.

Modest

The two mines then employed some 700, and RTZ's mention of 300 workers under the new plans suggests that a considerably more modest output is envisaged now.

Mr. David Penhaligon, Liberal MP for Truro, said yesterday that he was "delighted" at the prospect of 300 well-paid jobs being restored to this area of high unemployment. Throughout the saga of the Wheal Jane closure he has vigorously campaigned for a rescue operation.

Walker names team to probe farm marketing

BY CHRISTOPHER PARKES

MR. PETER WALKER, Minister of Agriculture, yesterday named a team of five unpaid specialists who will probe the weaknesses of the British farming industry's marketing effort and seek openings for food exports.

Introducing his "five marketeers," the Minister said he hoped other parts of the Whitehall bureaucracy might adopt the idea of using "lively-minded," free-ranging individuals to investigate other sectors.

With expenses only paid by the Government, and "doing it tolerably on the cheap," the team has been asked to discover and help correct the flaws in marketing of home-produced food which have allowed overseas suppliers to take a controlling interest in many UK markets.

Self-sufficient in liquid milk, Britain still spends £500m a year on importing dairy produce. Fruit and vegetable imports, including many types which are grown satisfactorily in Britain, cost £536m a year.

The Danes and others now have almost 60 per cent of the UK bacon market, and the country depends heavily on imports for other types of meat.

The team is:

Miss Ann Burdus, chairman of McCann Advertising, which has the Milk Marketing Board among its clients;

Miss Detta O'Cathain, group corporate planning executive of Unigate, the dairy company;

Mr. John Sainsbury, chairman of the supermarket chain;

Mr. John Cross, a farmer, who is also chairman of Agricultural Co-operation and Marketing Services;

Mr. Dennis Stevenson, head of a market research firm and a director of the National Building Agency.

Mr. Walker said the members of the group would be expected to work largely on their own. He aims to keep them as far away as possible from the heavyweight lobby groups within the industry.

He said he did not want them to spend hours in formal meetings, and asked that organisations with views to communicate should send them to the group via the Ministry.

The investigators will have open access to the Minister at any time either alone or as a group, and will be free to make their findings and recommendations known to the media.


Freddie Mansfield
Mr. John Sainsbury

Mr. Walker, who has publicly expressed his distaste for formal committees, said he had not sought to strike a balance within the group by including representatives with special interests. He had not given it a timetable for completion of its work, nor did he expect rapid results.

New-look quango Page 23

$26.6m computer lease insurance claim

BY JOHN MOORE

ITEL CORPORATION, a San Francisco-based leasing concern, has launched a $26.6m (£11.5m) legal action against Marsh and McLennan of the U.S., the world's largest insurance broker, and Americas Insurance Company over a disputed computer leasing insurance claim.

Although the group is seeking to recover only $1.6m on its insurances, the complaint against the broker and the insurance company includes a claim for punitive damages for a maximum of $25m.

In its action, Itel is alleging that among other things there were breach of contract, breach of agent's warranty of authority and negligence.

The insurance which was arranged by Marsh and McLennan with the insurance company, and which is now disputed, covered Itel for any difference which arose between the appraised value of the computer, and the actual amount of cash received after the computer was sold when the leases expired or were terminated by Itel's customers.

The insurance was arranged in September 1977. When the lease expired in December 1978 and the equipment was later sold, there was an adverse difference between the sale proceeds and the appraised value of the equipment of $1.68m. Under the terms of the agreement with the insurers, Itel met the first $60,000 shortfall and the insurers would pay the balance. But so far the insurers have not paid the $1.62m balance.

According to Itel, Americas Insurance Company has told the group that the claim has been denied because it "is not within the coverage contemplated" by the company at the time the insurance was allegedly arranged, "or at any other time."

Itel's complaint, filed in the Superior Court of California, San Francisco, alleges that Mr. Ralph Baggs, a Marsh and McLennan vice-president in the company's Los Angeles office, and Marsh and McLennan, indicated sometime after October, 1977 that they were not the authorised agents of the insurers and reinsurers and had no authority to act on their behalf.

Itel claims that the company therefore breached its warranty of authority.

The action is likely to be complex because several foreign reinsurers have filed a complaint against Americas Insurance Company, Guarantee Appraisal, the group which conducted Itel's specialist appraisal work, Marsh and McLennan and Itel claiming $20m punitive damages on Americas policy.

Itel said yesterday that this latest problem with computer leasing insurances is unrelated to the group's Lloyd's of London computer lease policies.

This insurance scheme, it is understood, was created after Lloyd's stopped accepting computer lease insurance business on mainframe computers in 1977.

UK onshore oil search resumes

BY RAY DAFTER, ENERGY EDITOR

FOUR EXPLORATION companies are to start a new hunt for oil and gas reserves in the South of England.

The Energy Department yesterday awarded onshore exploration licences giving the companies limited rights to evaluate geological structures.

British Gas Corporation and BP Petroleum Development, which are developing the Wytch Farm Field near Corfe Castle, Dorset, have *gained two joint* licences in adjoining areas along the Dorset and Devon coasts.

The concessions, covering 925 sq km, lie to the west of Wytch Farm, which is yielding 1,000 barrels of oil a day. The field compares in size to the smaller North Sea fields and could eventually produce 16,000 b/d.

The third licence has been awarded to Conoco, a U.S.-based energy group. The company will explore an area of 491 sq km south of London in parts of Surrey and Kent.

Carless Exploration, a UK independent company, has been given the right to explore on 499 *sq km in Somerset and* Wiltshire.

The licences do not allow the companies to drill for, or produce, oil and gas. The explorers can sink wells to a depth of no more than 350 metres. Companies finding a possible oil or gas bearing structure may be awarded a production licence at a later date.

It is expected that Premier Consolidated will be granted such a concession by Mr. David Howell, Energy Secretary, today. The company wants to drill for oil in the Caithness—Sutherland area, close to the shallow-water Beatrice Field.

While the granting of the four licences reflects a renewed interest in onshore oil prospects — particularly in the light of shortages and rising prices — companies and Energy Department officials are not expecting large new fields to be found. Prospective land areas in the UK have been explored for more than 60 years. About 74 exploration licences issued between 1973 and 1977 are now in force.

The total output from onshore discoveries is running at the low rate of 2,000 barrels a day. In comparison, the Energy Department is expected to announce today that North Sea output in June reached a record 1.7m barrels a day. This amounts to between 85 and 95 per cent of Britain's average daily needs.

New moves to rebuild nuclear industry

BY DAVID FISHLOCK, SCIENCE EDITOR

FRESH PROPOSALS for restructuring the nuclear design and construction industry, giving much greater emphasis to the manufacturing side, have been put to the Government by leading industrialists seriously worried about the declining competence of the industry.

The Government has accepted the failure of the 1974 formula for a unified industry, which set up the National Nuclear Corporation and its operating arm, the Nuclear Power Company.

It has told the industry that it regards restructuring as a matter of urgency, given its commitment to the steady expansion of nuclear power.

The electricity supply industry is ready to use its muscle by withholding major contracts until a company more like the technically successful *nuclear* manufacturing groups of the U.S., Germany and France takes shape.

Mr. Glyn England, chairman of the Central Electricity Generating Board, has said that his board does not want to place contracts for manufacture of two turbo-generators for Heysham B, the new nuclear station, for which it has just obtained Treasury approval, until it *sees prospects of an organisation* more likely to deliver plant on time and to the quoted price.

The industry has not been able to exert this kind of leverage before because it has ordered no new nuclear stations since 1971.

But it is understood the Government wants the new company, as it proves its capability, gradually to take over much of the nuclear engineering role now being performed by the CEGB's engineering division at Barnwood.

The main thrust of the new proposals, from both the private and State sides of the industry, is restructuring into a simpler company, involving a single executive board in place of the present two-tier structure of the National Nuclear Corporation and the Nuclear Power Company.

The new company would therefore need no supervisory management contract, such as GEC has exercised in the Nuclear Power Company on behalf of the Government since 1975.

One new proposal is that the industry be restructured round the two boilermaking groups, as the companies responsible for a major and integral part of the nuclear reactor.

Babcock and Wilcox has suggested that its boilermaking company, with a book value of about £40m, be closely aligned with the restructured company, along with the boilermaking side of Northern Engineering Industries.

A substantial export order book for fossil-fuelled boilers would give this manufacturing base commercial strength while nuclear ordering built up during the 1980s.

The Government has been assured that such an arrangement would work for any mix of reactor types. This merging of boilermaking interests would then need to be further strengthened in nuclear manufacture by bringing in organisations versed in making reactor "internals," the high-technology end of the industry.

Such companies include *GEC's Reactor Equipment*; Strachan and Henshaw (already part of NNC); and Fairey Engineering.

Another proposal put to the Government is that the 35 per cent State holding in NNC, now held by the United Kingdom Atomic Energy Authority, should be transferred to its subsidiary, British Nuclear Fuels, which is already strong in nuclear manufacture.

The company makes healthy profits from its fuel manufacturing activities, and in this way the Government may find an acceptable formula for selling up to 49 per cent of its shares to the private sector.

The Government has endorsed the policy of the Labour Government of ordering two new advanced gas-cooled reactor stations, and of choosing a foreign design of *pressurised water reactor* to be licensed.

Foreign investment in U.S. still at record pace

By John Wyles in New York

FOREIGN manufacturing investment in the U.S. continued to run at a record pace in the second quarter with overseas chemical companies in the vanguard, according to the Conference Board, a U.S. business research organisation.

The 104 investments in the U.S. announced by foreign companies was the highest quarterly number ever recorded by the board in the 10 years since its survey began. The previous high was the 101 investment announcements in the same quarter last year.

The board detects a potentially significant change of emphasis in the announcements away from acquisition and towards direct investment in new plant and machinery. Acquisitions of U.S. companies accounted for about half of all foreign investments last year but for only one-third in the second quarter.

Since 1970 the falling dollar allied to the large U.S. market and certain production advantages such as low labour costs and good labour relations have helped attract a surge of foreign investment in the U.S. This stood at about $13bn in *1970 and is now estimated at* about $40bn. The Commerce Department has estimated that the Netherlands has the biggest stake with an investment worth about $9bn followed by the UK ($7.4bn) and Canada ($6.5bn).

West German investment, estimated at $3.2bn, is growing at a fast rate, however.

ICI of the UK announced the largest investment with its decision to spend $200m on a plant in Texas.

During the quarter West German companies led the way with 24 new investments, next came the UK with 15, followed by Japan (14), Canada (11) and France (10). The 18 investments announced for the chemical industry topped all other sectors.

Continued from Page 1

Kaunda

league Mr. David Mul Mukome, the Foreign Minister, the Deputy Premier said it was unlikely that anything would emerge about Britain's demands for changes to the 1979 Zimbabwe Rhodesia constitution until after the Commonwealth summit.

However his delegation had noted a change from one of "indifference" to that of a desire by all parties to help the democratically elected (*Muzorewa*) Government achieve two goals—lifting economic sanctions and British recognition.

But a senior Minister said that while Britain was satisfied with approximately 90 per cent of the existing constitution, it was likely to demand changes to the clauses on the number of white seats in parliament, the composition of the commissions controlling promotions and appointments in the security forces, the public service, the judiciary and the nationalised industries; and the ousting of at least some of the white Ministers in the coalition Government—notably Mr. Ian Smith and Mr. P. K. van der Byl, the Transport Minister.

Salisbury officials said they did not expect Mrs. Thatcher to announce firm proposals at the conference as this would allow the Patriotic Front to ensure that its supporters at the Lusaka meeting imposed a veto.

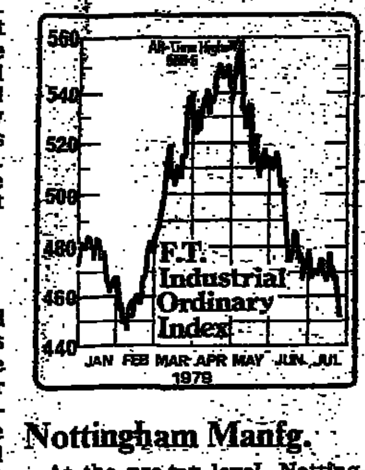
They merely expect her to tell the Commonwealth leaders that she is requiring changes to the 1979 constitution without going into great detail on what these changes might be.

THE LEX COLUMN

Freedom after 6½ years

Equities continued to drift lower yesterday and notwithstanding further strength in the exchange rate the prices of long dated gilts fell by another £¾. Since the Conservatives swept back to power less than three months ago the FT Industrial *Ordinary share index has shed* well over 100 points and now stands less than five points above its February low point. By contrast the FT All-share index is still some 9 per cent above its year's low.

Index fell 7.2 to 451.0



Dividend controls

Tonight at midnight dividend controls expire. Brought in as an emergency measure by the Heath Government in November 1972 they have lasted continuously for over 6½ years. The initial total freeze was replaced in March 1973 by a 5 per cent ceiling on annual increases, which was raised to 12½ per cent in July 1974 at a time of rocketing inflation. Finally, a 10 per cent ceiling—albeit with loopholes — was introduced in July 1975 and this has lasted for four long years.

What has all this meant in practice? In theory, dividend growth over the period November 1972-July 1979 for a company rigidly obeying the limits should have been about 75 per cent. This would compare with an increase in the index of retail prices over the same period of something like 160 per cent. Fortunately for shareholders, it has not been quite so bad as that in the event, for on the basis of gross dividends on the FT-Actuaries All-Share Index dividends have gone up by 107 per cent.

But investors have often had to fork out heavily on rights issues in order to get the benefit of the bigger dividend rises. And they have suffered an overall decline of a fifth in the buying power of dividends over the period. However, this squeeze was concentrated in the early years of controls, especially in 1974 and 1975. Since the beginning of 1977 dividends have grown by 46 per cent compared with inflation of 33 per cent.

During this latter period the All-Share has performed reasonably well, rising by about 50 per cent. But it is a chilling fact that over the whole period since November 1972 the All-Share has risen by little more than a tenth. Not all the blame can be laid at the door of dividend controls, but their abolition must now be a positive factor.

Nottingham Manfg.

At the pre-tax level, Nottingham Manufacturing's first half profits are up by 22 per cent at £6.1m. But well over half the improvement is accounted for by a rise in investment income to £1.6m, and trading margins have actually been squeezed a little, to 6.7 per cent from 7 per cent. For the rest of this year, the combination of high interest rates and more than *£30m of cash and gilt-edged will* guarantee a useful contribution from the investment income side, but growth from trading may be hard to keep up. This autumn, consumer spending may be buoyed up by tax rebates, but the prospects for 1980 are uninspiring.

Still, NM is particularly well placed to snap up bargains in the textile sector—and there may be one or two about—if it decides that acquisition is the most promising path. It is certainly conserving its cash: the net dividend payout is up by a third but is still covered about five times. This increase was enough to please a very sorry market yesterday and the shares put on 2p to 131p, where the prospective p/e on a 30 per cent tax charge is around 6, fully diluted. But with textiles in their present state it is almost bad manners to discuss prospective earnings — it is the yield, only 5.3 per cent, *which measures NM's premium* to a sector that offers an income of over 10 per cent.

New issue code

Instead of being a fiery champion of self-regulation in the City, the Council for the Securities Industry is turning into a sort of nanny figure. After some quite lively internal debate and a fair amount of reshaping, its draft statement on the responsibilities of new issue sponsors, published yesterday, turns out to be hopelessly wet. Essentially it says that issuing houses should do their job properly, and an appendix gives what amounts to a rather dim child's guide as to what that involves.

It seems clear that the only real reason for a code of this nature is so that it can be brandished on the very rare occasions when some outsider—like a Department of Trade Inspector — might ask whether such a thing exists. As a practical protection for the public, it appears to be worthless.

The idea is that sponsors should be required prior to the listing to tell the Stock Exchange that they had conducted themselves in accordance with the statement. There is no suggestion that apart from this formal notification there should be any attempt by the CSI or anyone else to administer the code on a day-to-day basis, which is just as well since it would be impossible to oversee such a general statement of behaviour.

If only one felt that the City was such a perfect place that time could be spared for such frivolities, and there was no proper work to be done elsewhere.

Petrofina

Petrofina's first-half figures provide more evidence of the benefits that the tight oil market has brought to the oil majors. Net group profits are up from BFr 2.23bn — a poor performance, admittedly — to BFr 3.95bn, and stock profits would have added another BFr 2.8bn had the group not gone over to LIFO accounting. Margins on Ekofisk crude have risen and some of the downstream operations have turned back into profit. Things would have been even better if Petrofina had not lost the crude supplies it used to have, through BP, from Iran; as a result it has been heavily dependent on the spot market.

It is a fair assumption that the North American operations made a useful contribution, too —after a rather patchy record recently, Petrofina seems to be finding its feet. But even if the group earns 600 or 700 francs a share this year it will be below the more optimistic forecasts of a couple of years ago when Ekofisk reserves looked more promising than they do now. The shares rose 60 francs to BFr 5,240 yesterday and are now around 60 per cent above their year's low.

Weather

UK TODAY

GENERALLY CLOUDY and unsettled.

London, Cent. and Eastern England, E. Midlands, Channel Is.
Occasional rain with bright intervals later. Winds moderate or fresh. Max. 19C (66F).

W. Midlands, S.W. and N.W. England, Wales
Bright intervals with occasional heavy showers. Winds fresh. Max. 18C (64F).

Moray Firth, N.E. Scotland, Orkney and Shetland
Cloudy with outbreaks of rain. Cool. Max. 12C (54F).

Rest of Scotland, Borders, Lake District, Isle of Man, Ulster
Cloudy with occasional heavy showers. Max. 15C (59F).

Outlook: Unsettled and cool with outbreaks of rain and sunny intervals.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	29	84	L. Plms.	S	27	81
Algiers	S	33	91	Lisbon	S	24	75
Amsdm.	C	20	68	Locarno	C	25	77
Athens	S	28	82	London	C	19	66
Bahrain	S	38	100	Luxmbg.	F	19	66
Barcina.	S	28	82	Luxor	S	37	99
Beirut	F	29	84	Madrid	F	33	91
Belfast	R	15	59	Majorca	S	30	86
Belgrd.	S	31	88	Malta	S	31	88
Berlin	C	20	68	Mchstr.	C	19	66
Biarritz	C	24	75	Melbne.	S	11	52
Brghm.	C	21	70	Milan	F	27	81
Blackpl.	C	20	68	M'ntreal	C	24	75
Bordx.	C	25	77	Moscow	R	18	64
Boulgn.	C	17	63	Munich	F	23	73
Bristol	C	19	66	Nairobi	S	18	64
Brussels	C	19	66	Naples	S	28	82
B. Aires	F	12	54	Nwcstl.	C	18	64
Cairo	S	32	90	N. York	S	26	79
Cardiff	C	17	63	Nice	S	27	81
Cas'b'ca	F	26	79	Nicosia	S	29	84
Cape T.	C	17	63	Oporto	F	21	70
Chicago	C	22	72	Oslo	C	15	59
Cologne	C	21	70	Paris	C	22	72
Cpnhgn.	C	19	66	Perth	C	15	59
Corfu	S	30	86	Prague	F	22	72
Dublin	C	17	63	Reykjvk.	F	13	55
Dbrvnk.	F	29	84	Rhodes	S	28	82
Ednbgh.	R	14	57	Rio J'o	S	25	77
Faro	S	28	82	Rome	F	30	86
Florence	S	31	88	Salzb'rg	F	26	79
Frankft.	C	23	73	Singapr.	S	29	84
Funchal	S	23	73	Stckhm.	R	15	59
Geneva	C	25	77	Strasb'g	C	25	77
Gibrltr.	S	27	81	Sydney	R	14	57
Glasgow	C	15	59	Tel Aviv	S	28	82
G'nsey	C	16	61	Tenerife	S	26	79
Helsinki	C	18	64	Tokyo	C	31	88
H. Kong	R	27	80	Toronto	S	25	77
Innsbrk.	R	25	77	Tunis	S	35	95
Inv'rnss.	C	19	66	Valencia	F	30	86
I.o.Man	C	13	55	Venice	S	28	82
Istanbul	S	28	82	Vienna	F	28	82
Jersey	C	19	66	Warsaw	C	20	68
Jo'burg	S	18	64	Zurich	C	21	70

C—Cloudy, F—Fair, R—Rain, S—Sunny.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.